FINANCIAL TIMES
PUBLISHED IN LONDON AND FRANKFURT
No. 28,077 Saturday January 26 1980 ***20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Pta 70; SWEDEN Kr 3.75; SWITZERLAND Fr 2.0; EIRE 20p; MALTA 20c

NEWS SUMMARY

GENERAL

Moslems hijack plane to Cuba

Two black American Moslems yesterday hijacked a Delta Airlines aircraft to Cuba and demanded to be flown to Tehran. Havan Airport was at a standstill while Cuban and U.S. officials tried to negotiate with the hijackers.

Officials offered to provide an aircraft to fly the hijackers to Iran if they allowed the passengers to leave the plane.

The Lockheed Tristar was carrying 51 passengers and 11 crew from Atlanta, Georgia, to New York when the pilot radioed that he had been ordered to fly to Cuba.

Rebels opposed

Pakistan is opposed to giving military aid and base facilities to the Afghan rebels, foreign affairs adviser Agha Shahi said. Such a policy would expose Pakistan to "very dangerous perils."

Mugabe returns

Guerrilla leader Robert Mugabe will return to Salisbury tomorrow following agreement on the release of 71 political detainees held in Mozambique. Page 2

Pretoria raid

Police stormed a Pretoria bank and killed three armed men who had held 20 people hostage for seven hours. The men had demanded freedom for South African black Nationalist hero Nelson Mandela.

SALT 3 move

NATO Governments renewed their invitation to the Soviet Union to take part in a SALT 3 round of nuclear arms control talks. Page 2

Sinai handover

Israel handed over a large and strategically important central sector of Sinai to Egypt, completing the first part of the peace agreement. Page 2

Deaths inquiry

An inquiry into deaths in police custody will be undertaken by the newly appointed Commons Home Affairs Committee, which looks into the administration of the Home Office.

Police shot

Terrorists in Genoa shot dead two members of Italy's paramilitary carabinieri police. The Front Line urban guerrilla group later claimed responsibility. Page 2

Radioactive leak

Radioactive water was leaking from a nuclear laboratory tank cracked by the earthquake that shook California on Thursday but scientists said there was no danger to the public.

Whitelaw's veto

Home Secretary William Whitelaw personally took the decision to exclude World Peace Council president Romesh Chandra from Britain "for the public good," the Home Office said.

Briefly . . .

Sheffield jewellers gave woman £120 for a pair of solid gold dentures found in her attic.

Young girl was killed and 15 passengers injured when a bus and lorry collided at Llanelli, South Wales.

Knife blade was removed from a Cape Town man's back when he began to cough blood eight months after being stabbed.

Sleeping sickness has broken out in areas of eastern Uganda.

West Germany's Walter Rohrl won the 48th Monte Carlo rally in a Fiat-Abarth 131.

Former Beatle Paul McCartney was deported from Japan, ten days after being arrested on a drugs charge.

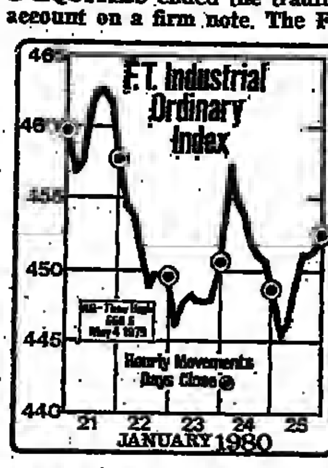
BUSINESS

Sterling off 1.45c; Equities firm

● STERLING was steady until just before the close when it fell sharply to finish 1.45c off at $2.2640. Its trade-weighted index was 71.9 (72.1). DOLLAR made late gains, notably against sterling, to close at DM 1.7350 (DM 1.7315) and its index rose to 84.9 (84.7).

● GOLD fell $35 in London to close at $670.

● EQUITIES ended the trading account on a firm note. The FT 30-share index put on 3.7 to close at 452.4, reducing the loss on the week to 7.4.



● GILTS sustained falls of up to ½ in longs and ¼ in shorts, and the Government Securities index dropped 0.47 to 67.78.

● WALL STREET was down 3.76 at 876.19 near the close.

● HONG KONG: The Hang Seng index rose 18.74 to close at 920.01, its highest for six years. Turnover was also at a six-year high.

Turkey bid to boost economy

● TURKISH Premier Suleyman Demirel announced a series of sweeping economic measures as Western Governments led by West Germany sought to co-ordinate an "immediate aid package." Back Page

● JAPAN recorded a deficit of $8.6bn (£3.8bn) on current account last year, by far the largest figure in its history. Back Page

● HIRAM Walker-Gooderham and Worts' £80m bid for Highland Distilleries, the Scotch whisky group, is to be investigated by the Monopolies and Mergers Commission. Back Page and Page 18

● JOHN BROWN construction and engineering group is making a bid worth $80m (£35.3m) for the Leesona Corporation in the U.S. Back Page; Analysis and results, Page 19

● MIDLAND Bank has sold its 10.46 per cent stake in Sedgwick Forbes Bland Payne, the UK's largest insurance broker for £21.1m. Back Page and Lex

● P AND O FERRIES has bought a further 40 per cent stake in P and O Normandy Ferries from the Rothschild-backed SAGA Group of France for a sum understood to be less than £5m. Page 18

COMPANIES

● EXXON of the U.S., the world's largest oil company, reported year-end earnings up 55 per cent from $2.76bn to $4.29bn (£1.88bn). Page 23

● GOLD FIELDS of South Africa, 46 per cent owned by Consolidated Gold Fields, raised its interim dividend by 85 per cent to 130 cents, as gold earnings lifted first half net profits 42 per cent to R48.3m (£23.2m). Page 18

● AUDIOTRONIC Holdings, the audio equipment group, incurred first-half losses of £306,000 against £158,000. This included exceptional debits of £319,000. Page 18

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Anderson Sthclyde.	63	+ 5½
BPB Inds.	188	+ 9
Barker and Dobson	29	+ 3½
Blue Circle	278	+ 8
Boustead	60	+ 7
Ferguson Ind.	85	+ 5
Hallite	104	+ 9
Hamilborne	63	+ 8
Hammerson A	825	+ 20
House of Fraser	146	+ 8
Land Securities	286	+ 6
McKay Securities	145	+ 10
Nova (Jersey)	43	+ 5
Plessey	127	+ 5
Stocks (J.)	104	+ 14
Tate and Lyle	170	+ 6
Turner and Newall	134	+ 4
United Scientific	437	+ 11
CCP North Sea	305	+ 43
Gas Oil Acreage	410	+ 50
Siebens (UK)	650	+ 36
London Sumatra	390	+ 40
Singapore Para	63	+ 9
Sungei Bahru	210	+ 13
Anglo Amer. Coal	£11	+ 1
Bracken	193	+ 18
Deelkraal	242	+ 16
Mount Lyell	120	+ 8
Otter Expln.	78	+ 24
Rio Tinto-Zinc	402	+ 20
Rustenburg	270	+ 10
Samantha	78	+ 21
SA Land	365	+ 47

FALLS		
Treas. 12¼pc 1993	£90¼	— ¾
Treas. 12¾pc 03-05 A	£24½	— ½
Brown (J.)	58	— 7
Highland Distlls.	122	— 26
Invergordon	217	— 19
Minet Hldgs.	102	— 7
Sothebys	470	— 15

Private steel faces strike as BSC peace moves fail

BY CHRISTIAN TYLER, LABOUR EDITOR

Peace overtures from the British Steel Corporation towards its major unions failed yesterday, as did a legal move by independent steelmakers to stop the strike spreading to the private sector from tomorrow.

Lord Denning, Master of the Rolls, is expected this morning to hear an appeal by 16 private steel companies against a judge's refusal yesterday to grant them injunctions to stop the four-week-old State steel strike spreading.

The British Steel Corporation's attempt to get the two main unions in dispute back into negotiation was spurned. The Iron and Steel Trades Confederation predicted that the strike, which began on January 2, would go into a sixth week.

At talks on neutral ground, BSC officials told Mr. Bill Sirs of the ISTC and Mr. Hector Smith of the Blastfurnacemen that it was ready to drop two of the conditions attached to its pay offer.

According to Mr. Sirs, the cash offer remained unchanged at 8 per cent at national level, with a minimum 4 per cent from locally-negotiated productivity deals, paid as a lump sum bonus after each quarter.

BSC representatives had hinted that the 8 per cent might be increased, but this was not enough to make further negotiations worth while, said Mr. Sirs. BSC is understood to be ready to offer just under 10 per cent at national level.

The failure of BSC's approach to the ISTC and NUB which together have 100,000 members on strike considerably reduces the value of the talks planned for tomorrow between the BSC and nine smaller unions which represent 70,000 members in the Corporation.

The legal action adds a new dimension to the dispute. About 20,000 private sector steelworkers have been called out from tomorrow in sympathy with their BSC colleagues. The unions' intention is to step up pressure on BSC and Government to meet their pay demands, by reducing steel supplies as quickly as possible.

Mr. Sirs said it was unlikely that the private companies' action could succeed, because of a recent House of Lords decision in a Fleet Street blacking case.

In *Express Newspapers v. McShane* the Lords overturned Lord Denning's judgment that sympathy action ordered by the National Union of Journalists was not protected by a long-standing trade union immunity from tort.

The NUJ's counsel in that case, Mr. John Melville Williams, QC, was representing the ISTC yesterday.

Before news of the judge's decision Mr. Sirs said he would abide by the order of the courts but would "certainly" appeal if the case went against the union.

Commenting on his meeting meeting with BSC managers, he said: "We discussed the possibility of bringing the negotiators back to the table. After a fair amount of discussion, it was obvious that we were not going to reach a stage of improvement that would allow us to do that."

BSC, had, he said, dropped from their proposed agreement the mention of 12,000 redundancies from plants otherwise unaffected by closure plans, and had dropped its demand for union involvement in discussion of the plan to shed 50,000 jobs, mainly from plant closures, by August.

He said he was ready to meet BSC again if it had anything further to say, but pointed out that his members on strike were now demanding 20 per cent without conditions. Mr. Sirs declined to give a figure acceptable to get negotiations re-started.

After yesterday's decision in judge's chambers, the union said the private sector strike would go ahead and would be widely supported.

No work for 5000 lorry drivers, Page 4

Public sector chiefs seek spending cuts exemption

BY JOHN ELLIOTT AND MARTIN DICKSON

THE chairmen of the nationalised industries have asked for a meeting with the Chancellor of the Exchequer to urged that their funds should not be reduced as part of the Government's proposed public spending cuts.

They are also to ask for more freedom to raise money from external sources, and will complain that existing restrictions on their financial affairs are preventing some of them from going ahead with potentially viable investment projects.

The chairmen of 17 industries are involved in this attempt to influence Government policy. They have already met their individual sponsoring Ministers in recent weeks and had informal talks with Sir Geoffrey Howe before Christmas.

They are co-ordinated by the Nationalised Industries Chairmen's Group whose leaders are Sir Francis Tombs of the Electricity Council, who is their chairman, and Sir William Barlow of the Post Office, the chairman-designate.

These two men, in particular, believe that their finances are being unduly squeezed because of the Government's political commitment to monetary policy.

They have told Ministers that projects which would be authorised in the private sector are being held up because of the Government's strict external financing limits set for the corporations.

Sir Geoffrey Howe, the Chancellor, yesterday gave the most explicit indication so far of the Government's intention to achieve substantial reduction in planned public spending to well below the level in the years before the last election—Page 4.

One small example quoted is that British Rail's Sealink shipping business has been prevented from ordering a cross channel ferry under leasing arrangements because its cost would count against the cash limit.

The chairmen's complaints have emerged at a time of considerable controversy over the nationalised industries because of the steel strike and the increases in gas and electricity prices.

But their views are related more to their investment problems and the risk that their financial limits set last November for 1980-81 might be cut in the public spending review.

In general they do not object to their wage negotiations being restricted by cash limits, and are not asking for more financial freedom so that they can offer higher increases. ... ...

They have been annoyed by speeches made by some Ministers, including Mr. Adam Butler, a Minister of State for Industry, suggesting that all the £1.8bn included in the industries' total external financing limit is a burden on the taxpayer. They fear that remarks like this indicate that Ministers Ministers want to cut back on the November limits.

Racal wins Decca's agreement

BY CHRISTINE MOIR

AFTER A WEEK of bargaining, Racal Electronics has won the agreement of Decca's Board for an all-share offer which values Decca at £66.4m. When the talks were first announced, Decca's value in the market was £60m.

Sir Edward Lewis, Decca's 79-year-old chairman, has voted his own and his family shares in favour of the bid and urges other shareholders to accept it.

Racal already owns 4.98 per cent of the voting capital, and the commitments made by Decca's Board and its associates give it control over another 17.2 per cent.

There is some ambiguity over the position of Dr. Dimenstein, Decca's Swiss director. Although he has joined the Board in recommending the offer, a company owned by his wife which holds 8 per cent, has not yet given any undertaking to accept.

The terms of the offer give shareholders five Racal shares for every three voting shares, and three Racal shares for every two non-voting "A" shares.

After an initial sharp mark down to 206p in the market following the announcement, Racal's shares recovered smartly and ended the day 3p up at 226p. At that level, Decca's voting shares are worth 377p, and the "A" shares 339p. In the market, Decca's voting shares came back from suspension to rise 5p to 360p. The "A" shares rose similarly to 325p.

The deal will involve Racal in issuing a maximum 27.24m shares, which represents an increase of a little over one-tenth in its capital.

Mr. Ernest Harrison, chairman of Racal, expressed the hope that Decca would do better than break even next year. He also

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For latest Share Index phone 01-246 8026

Gold falls $35 after week of turmoil

By Paul Cheeseright and David Marsh

GOLD finished a turbulent week at $670 an ounce in London yesterday, down $35 overnight and nearly $200 below Monday's record highs. After the London market closed, fresh profit-taking pushed the price down to $650 in New York.

Trading volume was lower than during the hectic conditions at the start of the week.

The dollar gained further ground on the foreign exchanges, boosted by firmer U.S. interest rates. It closed at its highest level this year against the Deutsche Mark at DM 1.7350.

This week's decline in the gold price has still not gone far enough to draw the jewellery industry back into the market on a regular basis. It is believed that buying from the industry came to an abrupt halt as the price passed $600 more than a fortnight ago.

The situation has become sufficiently serious for Intergold, the marketing arm of the South African Chamber of Mines, to send a mission to Europe to advise the jewellery industry on the financing of stocks at high prices. But the chamber is not likely to offer the industry any direct financial aid.

Peter Riddell, Economics Correspondent, adds: The gilt-edged market remained weak for most of yesterday's trading after the shake-out and big price falls on Thursday.

The long-dated stock sold out on Thursday — 12¾ per cent Treasury 2003-05—fell £0.5 at one stage to £24 before recovering slightly to close at £24½. This compares with an issue price of £25 and the Government's broker's selling price of £26. The gilt market was generally firmer in the afternoon.

The recent large sales of gilt-edged contributed to further shortages of liquidity in the money market and the Bank of England again intervened to give assistance on an "exceptionally large scale."

Money Markets, Page 25

£ in New York

—	Jan 24	Previous
Spot	$2.2760-2775	$2.2780-2755
1 mth	0.80-0.75 dis	0.85-0.80 dis
3 mths	1.73-1.68 dis	1.64-1.59 dis
12 mths	5.38-5.23 dis	5.65-5.40 dis

Prime rate in U.S. begins to edge up

BY DAVID LASCELLES IN NEW YORK

The U.S. prime rate started edging up again yesterday after a lull of several weeks when two large New York banks announce an increase of ¼ per cent to 15¼ per cent.

This move did not break new ground since several banks had held at 15¼ per cent when the prime dropped from its record 15¾ per cent, set last November. But it fulfilled Wall Street's growing expectations that interest rates are set to rise again.

The move was led by Citibank, which sets its prime every Friday morning at 10 o'clock on the basis of a money market formula. Bankers Trust followed shortly afterwards.

Interest rates have been moving up steadily recently. But they accelerated sharply in the wake of President Carter's State of the Union address on Wednesday.

His commitment to a tough stance against the Soviet Union's expansion in the Middle East was seen as a precursor to heavier Government defence spending, and therefore to higher inflation and a milder recession than previously hoped for.

The rate increase had an immediate effect on the dollar in the New York foreign exchange markets. It gained a cent against sterling to reach $2.265 at noon, and edged up to DM 1.74 against the mark.

American inflation worst since 1946

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

AMERICAN consumer prices rose last year by 13.3 per cent, making it the worst year for inflation since the removal of wartime price controls in 1946. In 1978, there had been a 9 per cent advance.

In December alone, the consumer price index went up by 1.2 per cent, equal to the biggest single monthly jump of the year. Housing costs accounted for half the increase and food prices rose by the largest amount since February.

While the magnitude of the advance in consumer prices has been apparent for some time, the stark figures certainly give President Carter's political rivals ample ammunition for attack as the election year unfolded.

So far, the campaign has been dominated by international concerns, much to Mr. Carter's political benefit. But his management of the economy has always been a potential weak spot, and the opposition will now not be slow to point out that the rate of inflation most directly affecting the consumer has nearly tripled since he assumed office three years ago.

Particular attention will also now be focused on the Administration's own forecasts for inflation in 1980. They will be contained in its 1981 fiscal year budget, to be unveiled on Monday.

At best, it appears that the Administration will project a gradual diminuation of inflation towards the end of the year, perhaps approaching the 10 per cent a year rate.

But forecasts are fallible: this time last year, the Government estimated a 7.4 per cent rise in consumer prices for 1979. It subsequently upgraded this at mid-year to 10.6 per cent, but both, as is now obvious, were highly optimistic.

The President has been arguing of late that the root cause of spiralling inflation—the soaring cost of energy—is beyond his ability to control in the short term, since it is the organisation of Petroleum Exporting Countries which sets international energy prices.

The December round of OPEC increases did not show up in the index for last month but will in the months ahead. During 1979, petrol prices alone went up by 52.2 per cent and the composite energy index by 37.4 per cent.

The Administration has complained recently that the consumer price index gives undue weight to housing, the cost of which has, of course, been heavily influenced by the tight monetary policies in effect for much of the year.

According to the Labour Department, about three-quarters of the acceleration in inflation was accounted for by housing and transport, with energy taking care of the other 25 per cent.

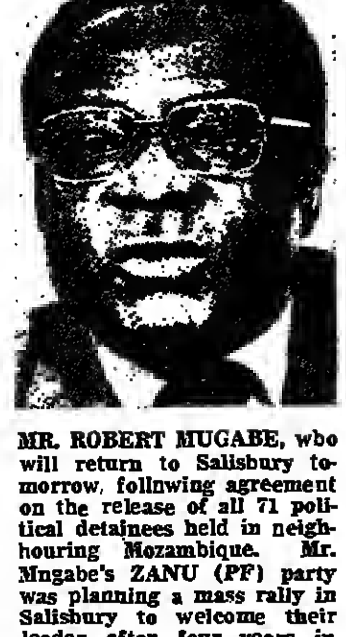
Businessmen's guide to living costs, Page 17

OVERSEAS NEWS

ZANU produces moderate election manifesto

BY BRIDGET BLOOM AND MARK WEBSTER IN SALISBURY

MR. ROBERT MUGABE'S ZANU (PF) party will lauoch a remarkably moderate manifesto next week for the February elections io Rhodesia io a bid to play down its radical Marxist image. The document envisages the oew Zimbabwe being a socialist state out leaves room for the private sector in commercial farming, industry and banking.



MR. ROBERT MUGABE, wbo will return to Salisbury tomorrow, follnwing agreement on the release of all 71 political detainees held in neighhouring Mozambique. Mr. Mngabe's ZANU (PF) party was planning a mass rally in Salisbury to welcome their leader after four years in exile. The annnuncement that the detalnees were to he released came as a direct result of an appeal by the Governor, Lord Soames, to Presldent Samnra Machel nf Mozambiqne

The manifesto, whicb will oot be officially released until after Mr. Mugabe's planned return to Salisbury tomorrow, makes ooly one passing reference to Marxism wheo it talks about tactics during the guerrilla war. For the rest it attempts to reassure foreign and white business ioterests that it is concerned with the gradual transition of Zimbabwe to a socialist state.

In one passage it states that while workiog towards "the socialist transformation of Zimbabwean society," a ZANU (PF) Government would recognise the "historical, social and other existing practical realities of Zimbabwe." One of those realities, the manifesto says, is "the capitalist system which cannot be transformed overnight."

The manifesto says a land and agricultural development fund will be set up to speed resettlement. Peasant agriculture will be on a collective basis with the voluntary agreement of the farmer, rather than through compulsion. The manifesto says that the need for state involvement in the mining industry on a partnership basis "will be examined."

On iodustry, a Zanu Government will promote deceotralisation by encouraging rural iodustries. The present banking system will be maiotained "as much as possible" with strong Central Bank control to enforce Government directives on lending. Puhlic investment in "important spheres of governmental action" will be undertaken.

The manifesto iodicates that an Africanisation policy will be oursued in the public service, the police force and the army. It adds that the judiciary will be restructured so as to "get rid of reactionary and racist judges"—a point which appears to conflict with undertakings given at Lancaster House.

Other promises of free education, free health aervices and better housing are familiar features

Bishop Abel Muzorewa, the former Prime Minister, and leader of the United African National Council, also launched his party's manifesto for the forthcoming elections yesterday. Much of the material was predictable following his party promises for last April's elections when he offered land reform, free education, free health services and better housing.

Iran poll favourite gains early lead

BY SIMON HENDERSON IN TEHRAN AND ANDREW WHITLEY IN LONDON

MR. ABOL Hassan Bani-Sadr, Iran's socialist-inclined Finance Minister, appeared yesterday to be taking an early lead in the first round of voting for the post of President of revolutioary Islamic Iran.

Voters questioned in Teheran and other main cities duriog polling confirmed that Mr. Bani-Sadr, the front runner in the whittled-down field of eight candidates, was still the favourite. The official Pars news agency said be had received up to 80 per cent of the votes cast in some parts of the capital.

The state radio said polling was going well in nearly all areas, but reported "limited clashes" in some parts because bad weather had apparently held up the arrival of ballot boxes.

In Tehran lines of voters queued outside the mosques and schools acting as polling stations. Armed revolutionary guards stood watch.

In the troubled ethnic minority regions Tehran Radio said voting had been orderly in Azerbaijan in the north-west and Baluchistan in the south-east. But it admitted that "things are not as they should be" in Kurdistan in the west.

Despite Mr. Bani-Sadr's appareot lead, diplomats in Tehran feel he may not gain the required 50 per cent of votes cast to wio on the first round. If no clear winner emerges, a second round will be held in a fortnight's time.

Kennedy denies campaign withdrawal

By Jurek Martin, U.S. Editor, in Washington

SENATOR Edward Kennedy from Massachusetts has flatly denied he is consideriog pulling out of the race for the Presidency following his crushing defeat by President Carter in Mnnday's party caucuses in Iowa.

In a speech to a union rally here on Thursday night, he proclaimed that "31 per cent of the people in Iowa (the percentage he won in the caucuses) can't be wrong." He went on: "The Carter Administration doesn't knnw the first thing abnut running the economy or a railroad. They put the economy oo the skids and the Kennedy Administratinn will put our economy back on the track."

Speculation aboot the future of Mr. Kennedy's campaign was heightened on Thursday when his office announced he was cancelling an important tour of New England states this weekeod in order to work on "a major speech" at a local university here on Monday morning.

Mr. Kennedy had in fact been conspicuously silent in not commenting publicly about President Carter's State of the Uninn address the night before—even though the speech appeared on the surface to open several potentially profitable avenues of attack fnr the Senator, particularly over the decision to begin registration for national service.

It appears now that the Monday speech will attempt to offer the coherent economic and foreign policies that Mr. Kennedy has so far been unable to enunciate in his campaign because nf Mr. Carter's successful tactic of wrapping himself np in the mantle of the Presidency.

Nevertheless tales of trouble in the Kennedy campaign abound. He is believed now to be genuinely strapped for cash: some aides are said to be working without pay, and be has abandnned the use of his expensive campaign jet.

At the same time Mr. Kennedy bas withdrawn his political operatives from several nther key big states to concentrate on the npcoming primaries in New England, his home territory.

Among the states he is leaving temporarily untended is Illinois, whose primary is on March 18 and which, other things being equal, ought to provide the first real test on neutral ground between the Senatnr and the President.

NATO invites Russia to talks on arms control

By Giles Merritt in Brussels

NATO'S GOVERNMENTS yesterday renewed their invitation to the Soviet Union to take part in a SALT 3 rounnd of nuclear arms control talks.

The gesture, which reaffirmed the Alliance's mid-December offer of further arms limitation negntiatinns, followed yesterday's formation of a 14-nation Special Consultative Gronp that will meet regularly under U.S. chairmanship to agree a common NATO stance.

In the context of worsening U.S.-USSR relatinns following the Soviet invasion of Afghanistan, the U.S.-backed NATO moved was last night being interpreted as a way for Washington to reassure the European allies that it is not nver-reacting to the crisis.

American officiala in Brussels emphasised that the initiative was not inconsistent with U.S. reactions to the Afghanistan invasion.

Arma controls should not be confused with disarmament, they said.

The consultative gronp is to be headed by Mr. Reginald Bartholomew, Direcinr for Political and Military Affairs at the U.S. State Dept., and is expected to meet again during March.

The setting np of a SALT 3 multilateral NATO body was agreed late last year before the Afghanistan crisis began. It appears to be a way for the U.S. tn demonstrate NATO members' solidarity following their January 15 failnre to adopt common sanctinns against the Soviet Uninn.

Strike ends at VW of America

By Ian Hargreaves in New York

VOLKSWAGEN of America will resume full prodnction during next week, now that the three-week strike at its West Virginia body-stamping plant has heen settled.

The plant's 500 workers voted to accept a three-year contract which will give them parity during 1982 in wages and cost-of-living allowances with their Ford and General Motors counterparts.

The deal is worth around 27 per cent over three years in straight wage increases, excluding the index-linked cost-of-living rises.

Egypt and Israel take the first tentative steps towards an era of normal relations

An anxious consummation of peace

BY ROGER MATTHEWS IN CAIRO AND DAVID LENNON IN TEL AVIV

EGYPT will today set in motion the establishment of normal normal relations with Israel—formally, coolly and without enthusiasm. President Anwar Sadat takes pride in being a man of his word and with an eye on world opinion will follow precisely the letter of the Camp David Accords and the peace treaty.

Essentially this means that Egypt will remove the discriminatory measures against Israel that bave existed since the formation of the Jewish state but will do little to expand the relationship beyond that level.

For Israel, however, the prospect of having direct links with one of the its neighbours is viewed with high expectations. Having handed over successive traoches of territory in Sinai and retreated to a new interim line, Israelis hope to replace an era of giving with an era of receiving.

What they have been promised in the peace treaty is that the state will finally have normal relations with ooe of its neighbours.

With the wall of hostility hreached, Israelis are at times over-eager to develop the ties with Egypt as rapidly and on as hroad a base as possible. Because of Egypt's own problems with the other Arab states, it bas heen less effusive about the development, which bas created some misunderstandings among the general public.

The favourite metaphor of senior officials at the Egyptian Foreign Ministry has to do with a canal—one has been dug between Egypt and Israel but it has yet to be filled with water. Whether the waters ever flow will depend, they say, on the progress in solving the Palestinian problem in the West Bank and Gaza Strip.

The Jargon word "linkage" is, happily, not too often employed, but it still hest describes Egyptian policy. The quality of normalisation wil depend almost entirely on Israel providing for the Palestinians' real hope that the curent negotiations will offer the chance within a few years, if not of an independent state, at least a large measure of autonomy.

Without that, Egypt's accusers will have been proved right when over two years ago they said President Sadat would end up with a bilateral peace that contributed nothing to an overall Middle East settlement.

So far they appear to have been winning the argument. During eight months of negotiations, Egypt, Israel aod the U.S. have made virtually no progress on the critical issne of the powers that would be exercised by an elected Palestioian authority.

Israel appears to want to restrict the Palestinian authority to simple administrative matters while Egypt insists on giving it real political teeth. The gulf between the two sides seems so vast that it is difficult to predict any significant measure of agreement before the target date of May 26.

According to the treaty, there is no linkage between normaliaatioo and the negotiations on the Palestinian issue. So when Egyptian officials suggest that one will bear on the other, many Israelis query the depth of Egyptian commitment to normalisation.

But Israeli officials are much less apprehensive. They show considerable understanding for Egypt's problems with the Arab world and its ardent desire to prove that the treaty is not just a bilateral act but the first step in an overall settlement of the Arab-Israel dispute.

Today, therefore, an Israeli flag may fly over its temporary embassy accommodation in Cairo. It should be possible to telephone between Cairo and Tel Aviv, postal services will start and Telex messages can be seot. Direct flights between Tel Aviv and Cairo are scheduled to start next week and border crossing points will be opened.

An Egyptian guard of honour stands at attention with the Egyptian flag, as the Israeli flag is lowered in Sinai.

Theoretically a quantum leap forward will have been taken in the process started by President Sadat when he went to Jerusalem in November 1977.

The reality is likely to prove rather different. With the best will in the world things bureaucratic take a long time to achieve in Egypt. Without much goodwill at all they are going to take even longer.

Egyptair, the national carrier, does not seem to have made any plans to fly to Tel Aviv though El Al is determined to start with two flights next week, border crossing posts are unlikely to speed motorists on their way next week and posts and telecommunications will operate at best sluggishly and haphazardly.

Israel plans to have a staff of 20 or more at its embassy in Cairo. Egypt speaks of appointing about five or six to its Tel Aviv embassy. The size of the respective diplomatic missions is, however, much less important to Israel than the fact that they exist. The links can, after all, be develnped in time.

Normalisation of relations started months ago. Ships flying Israeli flags have been using the Suez Canal, some 2,300 Israelis have been granted tourist visas to Egypt, and more than 100 Egyptians have visited Israel.

Even more important for Israel, Egypt has been selling it oil since the handover of the Gulf of Suez oilfield in November. In fact Egypt agreed to sell Israel 2m tonnes a year—more than Israel was drawing from the Gulf oilfield. Israel also claims that Egypt is selling it the oil at $5 a barrel below the regular price.

In the area of trade, several companies have announced deals to sell Israeli goods and services to Egypt. The most flourishing field is agricultural items such as irrigation equipment and desert-farming techniques.

A special Government committee which has studied the potential trade between the two countries, reported last year that the potential for Israeli exports to Egypt was about $1,100m a year, while Israeli imports of Egyptian goods should run et $20m to $30m a year. The figures exclude oil sales.

A thriving trade in smuggled goods exists in both directions. It worries the police and customs, but suggests that the potential flow nf goods between the two countries may develop rapidly.

This will be helped by cancellation of Egypt's participation in the Arab boycott of Israel, and there are high hopes in Israel that this will encourage foreign companies to invest in joint ventures by the two countries.

Under the best conditions security would be a problem if thousands of Israeli tourists and businessmen were suddenly to descend on Cairo. The suspicions of millions and the hatred of a few cannot simply resolve in a matter of months. But with Islamic militants stirred by events in both Iran and Afghanistan and the Egyptian Press bitterly accusing Israel over its policy towards the occupied territories, the dangers are far more acute.

The Egyptian authorities argue that the pace of normalisation has tn be linked in every way tn the overall situation in the Middle East, or they risk seriously damaging their own interests.

For example, the arrival of El Al planes at Cairo might in itself be enough for some Arab airlines to stop flying to Egypt. Should Egyptair start flying to Tel Aviv it might be banned from the rest of the Arab world. Since Egypt earns around $2bn a year from money sent home by its workers in Arab countries, it is an area of serious vulnerability for its fragile economy.

So far Egypt's economy has not been seriously weakened by the Arab boycott imposed after the signing of the peace treaty, but the Foreign Ministry is wary of further actions which might provoke a more damaging response. So until Egypt has something tangible on Palestinian autonomy to show the rest of the world, it will keep its diplomatic representation at a token level and this will affect the pace of negotiations over more substantive commercial and cultural links due to begin on July 26.

Whatever the fears and hesitations, the human reality—demonstrated by the jeweller in Cairo who asked an Israeli-based reporter where he could buy diamonds in Tel Aviv and the water-meter manufacturer in Israel who asked to check what sort of irrigation equipment was available in Egypt—seems guaranteed to turn the peace treaty into a living link and not just a piece of paper.

Middle East talks in London

BY ANTHONY McDERMOTT

LONDON HAS briefly become a focus of Middle East negotiations. Mr. Chadli Klibi, the Arab League Secretary-General, who is on a tour of Europe, yesterday met Lord Carrington, the British Foreign Secretary, and King Hussein of Jordan, who is visiting Britain privately. Mr. Sol Linowitz, the U.S. special envoy to the Middle East, is to meet King Hussein today.

The activity in London is partly fortuitous, but partly reflects an American desire to co-operate more closely with Britain since Mrs. Margaret Thatcher, the British Prime Minister, supported the U.S. over the Soviet invasion of Afghanistan.

Mr. Klibi, in his talks with Lord Carrington, discussed developments in the Middle East, where Egypt and Israel are to open diplomatic relations today, and stressed the value of the Euro-Arab dialogue. Apparently he did not press for Britain to move towards recognising the Palestine Liberation Organisation.

The link between the visits of Mr. Klibi and Mr. Linowitz, who is to go on to Israel, Egypt, Saudi Arabia and Morocco, is the West Bank, occupied by Israel since 1967.

The question of autonomy for the Palestinians of the Gaza Strip and the West Bank has reached deadlock in the negotiations between Egypt and Israel. Mr. Linowitz came specifically to see King Hussein, but his purpose was understood to be more to keep lines of contact open.

Terrorists shoot two Carabinieri in Genoa

BY RUPERT CORNWELL IN ROME

TERRORISTS YESTERDAY shot dead two members of the Carabinieri, Italy's paramilitary police, in the centre of Genoa. Five police officers have now been assassinated for political motives this year.

This escalation of the onslaught, which is clearly aimed at undermining the security forces' morale, seems intended as a riposte to the recent round-ups of terrorist suspects in northern Italy. The latest killings came the day after emotional ceremonies to commemorate the first anniversary of the killing of union official in Genoa by the Red Brigades.

The killings may have repercussions on the Government's effort to push its anti-terrorist Bill through Parliament, where it is being obstructed by the small left-wing Radical Party.

Some Italian political leaders last night were urging the minority Christian Democrat Administration of Sig. Francesco Cossiga—now visiting the U.S.—to defeat the blocking tactic by making the measure an issue of confidence.

Yesterday's attack followed a familiar pattern. The car in which the Carabinieri officers were travelling was ambushed by gunmen.

The driver, a corporal, was killed instantly. One passenger, Col. Emanuele Tuttobene, operations chief of the Genoa Carabinieri division, died soon after reaching hospital. A third passenger, an Army colonel, was wounded.

A telephone call soon after claimed that the Prima Linea (Front Line) organisation, which is closely linked to the Red Brigades and behind many recent Italian political killings, was responsible for the attack.

The Red Brigades three weeks ago assassinated three policemen on routine patrol in Milan.

Somalian Parliament is reopened

Somalia's Parliament, suspended in 1969, has been reopened by President Siad Barre as part of a proces of strengthening popular support for this strategically-placed country in the Horn of Africa. He also said ha would soon form a new government, reports Jamea Buxton.

The reopening followed the election of 171 members. All had to be members of the official Somali Socialist Revolutionary Party and only a tiny minority of the electorate voted against them.

Israeli strike

Air and sea traffic i nand out of Israel will be halted for 24 bours tomorrow as more than 100,000 workers strike in protest at the Government's tough new economic policy and looming unemployment, reports David Lennon in Tel Aviv. Radio and television stations, the electricity corporation and hospital X-ray services will also be affected.

Zambia oil pledge

Zambia has told six foreign oil companies operating here that it does not intend to follow up its takeover of the country's oil stocks and storage installations by nationalising the entire industry, our correspondent reports from Lusaka.

Irish working wives win tax concession

BY OUR DUBLIN CORRESPONDENT

THE IRISH Exchequer is expected to lose at least £60m in tax revenue as a result of a decision by the Supreme Court that sections of the tax code relating to working wives are unconstitutional.

Until now, the income of husbands and wives was treated jointly, which meant that they paid more tax than two single people, even if they were living together.

The tax code was challenged by two Dublin schoolteachers, Francis and Mary Murphy, backed by a tax campaign, which raised over £30,000 to meet legal costs. They won their case in the High Court last November and today the Supreme Court dismissed an appeal.

The decision could not come at a worst time for the Irish Government, desperate for revenue as it faces the prospect of having to curb its borrowing of over £1bn last year and pressurised by the trade unions for tax cuts.

The decision was welcomed by opposition politicians and women's rights groups. A woman senator said Ireland had been dragged by the Supreme Court into the 20th century. The Supreme Court ruling was based on the section of the constitution which pledges the State to uphold the institutions of marriage and the family.

The judges held that the extra tax paid by married couples represented a breach of the State's duty under this article.

Ironically, this very section, which also outlaws divorce and praises the role of mothers in the home, has previously been a target for women's rights campaigners.

● Ireland's Central Bank has increased the pressure on Mr. Charles Haughey, the Prime Minister, to introduce a deflationary budget next month. In its latest quarterly bulletin, the Bank says that the current account deficit, rather than the capital account deficit, must be cut to relieve pressure on Ireland's reserves and to ensure that the punt does not have to realign within the European Monetary System.

The Bank has rigorously tried to enforce an 18 per cent credit expansion for the year, which ends next month. However, this ceiling was breached last November and the Bank is portending another year of tight credit, saying that the only money available for loans was from interest which had already been repaid.

Ireland has a public sector borrowing requirement of just over Irish £1bn (£954m). Of this Irish £520m is on current account. It seems likely that Mr. Haughey and Mr. Michael O'Kennedy, his Finance Minister, will try to cut this deficit to relieve the balance of payments problems.

The means by which it would do so will probably be a rise in indirect taxes and a trimming of public spending.

EEC Commission to tighten controls on butter exports

BY JOHN WYLES IN BRUSSELS

THE EEC is planning to change the way it exports part of its "butter mountain," to take more effective control of sales to the Soviet Union and Eastern Europe.

The move is ostensibly in line with the resolution adopted by Community Foreign Ministers last week that agricultural sales to the Eastern bloc would be restricted according to "traditional patterns" so as not to weaken American sanctions. The resolution guaranteed that no EEC wheat would be sold directly to Russia, because none has been exported there for the past six years.

But the broader political importance of the move may outlast the Afghanistan issue which prompted it. If the Commission has greater control over the destination of subsidised butter exports, it could be more vulnerable to demands for stricter curbs from the European Parliament and from some member-states, led by the UK, which have long objected to the Russians buying butter cheaper than consumers in the EEC.

Despite the proposed controls, the big row is still to come, since the Commission contends that its traditional sales pattern would enable Russia to buy between 50,000 and 80,000 tonnes of butter this year. This is based on a three-year average sales figures, and will almost certainly be challenged by the "butter hawks," not least by the UK, which believes 35,000 tonnes would be more appropriate.

Nevertheless, the British see some progress in the fact that the EEC's dairy management committee appears ready to set up a tendering system for butter exports to Russia and Eastern Europe. This will force exporters bent on selling large quantities of butter from EEC stocks to seek prior approval, both on quantity and export rebate.

In effect, there would be no automatic rebate at a pre-fixed level for large export quantities, and the Commission would have powers to determine how much Russia could buy and at what price. The rebates are designed to cover the gap between the high Community price and the world price. Pre-fixed rebates, or a guarantee to exporters of a fixed rebate on future sales, has been suspended for butter and butter oil for two weeks, and will remain suspended until next Friday.

It should be restored at the end of next week, albeit at a slighter lower level because of stronger world prices, for all parts of the world except the Eastern bloc, where it will remain frozen until the new zoning machinery is in place.

The EEC has about 260,000 tonnes of surplus butter in public stocks. It is still possible theoretically for Russia to evade the new controls, but not to obtain large single shipments, it is claimed here.

Mr. Luther Hodges, U.S. Deputy Secretary of the Department of Commerce, expressed "gratification" at the measures the EEC has taken in discussions with Commissioners yesterday. But he made it clear that the U.S. would be looking to Europe to place stricter curbs on selling high-technology equipment to Russia once Washington has completed a review, in four or five weeks, of its own exports, which are now suspended.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing centres.

Government vetoes £195m pension boost

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT does not intend to pay the £195m needed to uprate pensions and other long-term benefits in line with the steep rise in earnings last year.

If the benefits had been uprated it would have meant 35p a week more for a single old age pensioner and 50p extra for a married couple. Similar sums would have been added to pensions for the long-term sick and for widows.

The Government has decided that in the present economic circumstances such extra payments would create a financial burden which would be more than contributors and taxpayers could be expected to bear.

The decision, announced yesterday in a written Commons answer by Mr. Patrick Jenkin, Social Services Secretary, brought an angry response from the Labour Party, which sees it as the latest example of the "Thatcher axe" on public spending.

It has also caused extreme coocern among some back-bench Conservative MPs, particularly as it comes, soon after the decision to make a big increase in gas prices.

The Opposition may demand a full statement in the Commons next week and will pursue the matter nn Tuesday during the committee stage of the Social Security Bill.

In his answer, Mr. Jenkin said the Government was not under a legal obligation to make up the shortfall and the last uprating in November had fully complied with the statutory requirements.

There was a very strong response from Mr. Andrew Bowden, Conservative MP for Brighton, Kemptown, who is joint chairman of the all-party parliamentary gronp for pensioners.

He said that he was "bitterly disappointed" by the announcement. If no action were taken it would mean that people would be "swindled" nut of at least one week'a pension.

Mr. Stan Orme, Labour social security spokesman, commented: "This is outrageous. The Government has a moral obligation at a time of soaring prices to see that pensioners get what they are entitled to and the previous Government carried nut."

A Labour Party social security expert, Mr. Frank Field (Birkenhead) declared: "It is another saving at the expense nf tha poor. The Government is legally correct but morally wrong. They have swiped £195m from the poorest."

Under the Social Security Act 1975 pensions are adjusted to the rise in earnings or prices, which ever is the higher. But the Secretary of State is giveo discretion to maka the calculation "in such a manner as be thinks fit."

The last pensions increase in November was based on a June calculation that prices would rise by 17.5 per ceot in the 12 months up to that date. Bnt it later became apparent that over the same perind earnings had soared by 19.2 per cent.

If pensions were calculated on earnings, pensioners would be entitled to a further 1.7 per cent, or £195m a year.

When a similar situation had arisen in 1978 the Labour Government promised to pay the shortfall and that was honoured by the Conservative Government last year after Labour lost the election.

The Social Security Bill now before Parliament will, however, change the system so that pensions and long-term benefits are tied nnly to the increase in prices.

AUTHORITIES OPPOSE GRANT SCHEME

BY ROBIN PAULEY

Local Government Bill faces stormy passage

A HEAVILY revised Local Government Planning and Land Bill was published yesterday amid continuing hostile reaction to its main proposals. But Tory whips in tha Commons seemed confident that the danger of revolt among backbenchers had receded.

There are 97 clauses less now, some of them incorporated in others. Some have been dropped altogether, mainly because of objections by some Cabinet Ministers abont the amount of Parliamentary time Mr. Michael Heseltine's nriginal 248-clause Bill would have needed.

One of the main sections nf the bill concerning a change in the way local authorities would receive rate support remains unaltered. But there are indications that the Governmeot is now back-peddling fast on its interpretation of maximum rate levels, nr notional rate poundage.

Although some changes bave been made to the bill, principally on capital expenditure, objections to the two most controversial elements of the bill bave survived intact.

All the associations represeoting the 456 local authorities in England and Wales oppose the replacement of the present rate support grant with a new unitary grant scheme, though the method of assessing need remains open to negotiatinn.

The Association of Metropolitan Authorities, the Association nf County Councils and the Association nf District Councils are solidly united against it and are to seek the support of MPs to have it amended nr deleted in committee.

All the associations are Tory-controlled. The level of Tory back-bench support they can muster will affect the difficulty the bill encounters although the size of the present Government majority abould ensure its eventual arrival nn tha statute book before the end nf tha Parliamentary session.

The associations have sent a joint letter to Mr. Heseltioe to complain: "Tha block grant proposals will markedly increasa central government interferenca in local authority rating decisions. They put almost unlimited power in the hands nf any government to alter tha distribution of the total amount of available grant and to be highly selective about individual authorities' grant entitlements."

Sir Godfrey Taylor, chairman of the Association of Metropolitan Authorities, is "begging and pleading" his members to lobby their MPs against unitary grant.

Sir Hnrace Cutler, leader of the Greater London Council, said yesterday: "The total package of controls will put local authorities in a strait-jacket."

The second nbjection which bas survived is tn the creation of urban development corporations for London and Merseyside docklands. All five Labour-controlled London boroughs in docklands and the Merseyside County Council appose the new-town-style bodies and the sweeping powers proposed for them.

Mr. Roy Hattersley, shadow Environment Secretary, said yesterday said that "councillors up and down the country, no matter what teir political persuasion" would nbject to the bill in its present form. The cbanges did nothing to alter tbe fundamental cbange proposed in the relationsbip between central and local government.

Although the Labour Party is united in opposing the bill, it is divided over tactics. The sbadow Cabinet's view, and tbat of Party Conference, is that Labour should do all it can to resist the Government's public spending cuts within the law.

Some local authorities argue that It migbt be better to put in mass resignations than comply. Others feel that breaking the law might be justified. Labour will try to thrash oot its tactics at a special conference next weekend.

However, the Government feels there is misunderstanding about tbe unitary grant scbeme. It bopes to convince the local authorities that it is to their benefit and allows them a great deal more freedom than hitberto.

The Government does seem to be yielding to pressure on its interpretatino nf notional rate poundage. Last year, Mr. Heseltine fixed the present figure of 119p. The powers in the new Bill allow for authorities to be penalised, at the discretion of the Minister, if they exceed the set level. More than half the authorities seem certain to do so.

But tbe new line seems tn be to regard 119p as a median figure. An authority would bave to go well over the top before incurring penalties.

First, its overspending in one year would be deducted from the following year's allocation. If an authority's overspending seemed serious, it would then be sent warnings and asked how it proposed to correct matters. Only in the last resort would penalties be imposed.

Some of the basic powers proposed in the bill, particularly those relating to rate grant and urban development corporations, will be needed by late summer or early autumn. The bill sbould have its second reading the week after oext and then goes into committee, where a difficult passage seems likely despite the cuts and changes. lost on the Bill that Mr. Heseltine must be apprebeosive about getting it through tbe House in time. The Bill was introduced into the House of Lords on November 29 and hastily withdrawn after protests that it was a major piece of legislation, and had to be considered in the Commons first.

Since theo, strong Cabinet objections bave apparently caused the Bill to go to Cabinet Committee twice, delaying its iotroduction still further.

Main points of the Bill

The main points of the bill include:

- New unitary grant scheme allowing Government to penalise local authorities which spend above set limits;
- Ceiling on the level of capital spending;
- Stricter control of local authority direct labour organisations;
- Abolition of the community land act;
- Creation nf urban development corporations for London and Merseyside docklands;
- Limits of new town borrowing raised te £4bn;
- Charges for planning applications;
- Extra payments for councillors with special dnties;
- Increased local anthority accountability with requirements for publication of key information.

Omissions from the revised bill include:

- The original proposal for improving the local ombudsman system;
- The establishment of gypsy caravan sites;
- Relaxing statutory duties and controls in the transport field;
- Several of the proposed improvements to the planning system particnlarly those concerned with mining minerals and the restoring of land afterwards;
- Some minor rating provisions;
- Changes tn Ministerial controls over footpaths and highways.

The main change covering capital expenditure in the bill is that while allocations will be made, as originally envisaged, for five main blocks of expenditure—housing, education, transport, social services and other services—councils will now be free to aggregate those allocations, and nse the total sum for whatever capital purpose they think fit. The maio exception to this new freedom is that projects of national or regional importance will need ministerial approval.

Road hauliers' costs increase by 22%

BY LYNTON McLAIN

ROAD HAULAGE operatiog costs rose 22.5 per cent last year, according tn the Road Haulage Association.

The figure is based on a new series of indices issued yesterday.

They show that the biggest increases in operating costs last year stemmed from rising labour costs and higher diesel fuel prices.

The costs of labour, including fitters and salaried staff, rose 9 per cent and diesel fuel 7 per cent. The cost of vehicle replacement rose 2 per cent. Hauliers faced highe rsite, insurance, finance and other costs.

Hauliers operating vehicles of more than 3 5 tonnes gross laden weight in Britain also face higher capital and running costs as a result of the Government'a regulations on tachographs. These were passed by Parliament before Christmas.

The instruments are expected to cost about £200 a vehicle. The state-owned National Freight Corporation could face a bill of £4m.

Hauliers are also likely to bave to pay about £10 in calibration fees at Government-registered centres.

Part of these increased operating costs may be recovered through higher prodnctivity, due to the better monitoring of lorry performance with the tachograpb. Companies are prepared to consider passing on to drivers a share of the benefits, bot talks are not expected to start on tachograpb productivity until their use becomes compulsory in two years.

A 'Guernsey person' may be legally defined

A GUERNSEY person will be legally defined fnr the first time if recommendations in a report by the island's bousing authority published yesterday are accepted by the island's MPs.

The authority also proposes that the maximum fine for infringing the bousing regulations, which control the occupation of property by non-islanders, should be increased from £500 to £5,000 with a fina of up to £1,000 on summary conviction in a magistrate's court.

The report sets out the principles of a new bousing law. The recommended definition of a Guernsey person is:

A person who was born in Guernsey and who has been nrdinarily resident there for at least 10 consecutive years and at least one nf whose parents was ordinarily resident at the time the person was born; nr

A persoo whn was not born in Guernsey but who has been ordinarily resident there for at least 10 consecutive years and who is the child of a person as described above.

- With inquiries and bookings for 1980 already looking promising, official figures show that both Jersey and Gnernsey reached record passenger arrival figures last year. Jersey's total for the year was 1,428,000, an increase of 8 per cent on 1978, while Guernsey's figure was 348,900, a rise of 5 per cent.

Powell attacks Atkins for Ulster 'blunders'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

AN OUTSPOKEN attack nn Mr. Humphrey Atkins, Northern Ireland Secretary, for "making a series nf gaffes and blunders" was made yesterday by Mr. Enoch Powell, Ulster Unionist MP for South Down.

He blamed tha qnality of the advice given to Mr. Atkins by his civil servants in the Northern Ireland Office.

Mr. Powell said the officials were appointed from other Whitehall departments and served two or three years in the Northern Ireland Office before moving on.

He contrasted this with the quality and local knowledge of the civil servants who staff the various departments in Northern Ireland.

"In order to end this "devastating dichotomy," he urged that the Civil Service in Northern Ireland should be an integral part of the Civil Service of the Crown throughout the UK.

Mr. Powell said he was not the only person to be staggered by the volume of sheer bad advice tendered tn Mr. Atkins.

He criticised the Ulster Secretary for getting himself tied up with the Mayor of New Ynrk, being on holiday at the most delicate time of the Ulster year and for his "evident incomprehensioo of the respective political forces," in Ulster.

It was, he said, small wonder that Mr. Atkins "frequently talks and acts as if he were the man io the moon paying us a visit and commits the most egregious blunders apparently unaware and uoadvised."

UK NEWS

Ministers explain gas price increases

BY ELINOR GOODMAN, LOBBY STAFF

MINISTERS made a concerted effort yesterday to justify the gas price rise. They stressed the Government's commitments to reviewing the existing schemes for helping the needy with fuel bills.

The campaign reflects continued unease on the Government's back benches at the way the announcement of the increase has been handled.

Complaints about the increase, which will mean a rise of 10 per cent in real terms this year and next, have dominated some MPs' mailbags for the last few days.

The feeling, which surfaced again at this week's meeting of the 1922 Committee of Tory back benchers, seems to be that the Government had no choice but to increase the price, but that it could have done more to soften the blow.

The Government would probably have preferred to accompany news of the increase with details of help for those in real difficulties with fuel bills. But its hand was forced by leaks in the Press about the rise. Energy Department Ministers are now trying to persuade *the Treasury to set aside enough* money to help them introduce an old scheme.

Speaking to the Leeds Chamber of Commerce yesterday Mr. David Howell, Energy Secretary, said the country had to choose between realistic energy prices and energy shortages.

Given the importance and value of energy in today's world, he said, it would have been madness to have tried to protect every British consumer from paying a realistic price.

Mr. William Whitelaw, the Home Secretary, made much the same point, speaking to his constituents in Brampton.

More spending cuts on way, warns Chancellor

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Sir Geoffrey Howe, Chancellor of the Exchequer, yesterday gave the firmest ministerial statement so far of the Government's intention to reduce public spending in the *next few* years.

He said the Government aimed "at substantial reductions in previous plans over the medium term, bringing total public expenditure well below the level in the year immediately before we took office."

This is not intended to represent any change in policy compared with recent speeches and expectations. *But it does* highlight the shift in thinking since last November's White Paper when the *intention* was to stabilise the volume of expenditure, rather than to reduce it.

Sir Geoffrey's comments followed the first lengthy Cabinet discussion on public spending on Thursday morning. This is believed to have been concerned principally with proposals for savings on *the social security* budget, in particular the present provisions for increasing *most* benefits *annually* in line with the rate of inflation.

There will be a further Cabi*net discussion next Thursday* on spending cuts. The present hope of senior ministers is that the main decisions can be taken by the end of the first week of February.

The full spending White Paper will be published in March, though some of the details could be announced slightly earlier.

Sir Geoffrey's comments were made in a letter to Sir John Hedley Greenborough, president of the Confederation of British Industry, replying to the CBI's paper earlier this month calling for further spending cuts of around £1½bn to £2bn in 1980-81.

The Chancellor agreed that "*we need some reduction in* 1980-81 compared with the plans we published in our November White Paper, but the full effect of further measures cannot be expected immediately."

Referring to the objective of substantial reductions in expenditure below previous plans over the medium-term, he said: "Part of these reductions will have to come from our net con*tribution to the EEC*, but we shall also be making reductions in other areas."

Moves into business by Whitehall chiefs come under scrutiny

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE ACCEPTANCE of business appointments by retired senior civil servants are to be investigated by the new Treasury and Civil Service Committee of the Commons.

This will be one of the issues to be examined in a short inquiry into the efficiency of the Civil Service which is to start *next week*.

The long-standing controversy about top industrial and City *jobs* taken by Permanent Secretaries and other senior civil servants immediately after retirement has come into the open again in the last few weeks.

The issue has been highlighted by the case of Lord (formerly Sir John) Hunt, who has taken certain directorships after his retirement last year as Cabinet Secretary.

This is only one of the topics in which the committee *is* particularly interested in its inquiry. The others include the progress being *made* in reducing the numbers of and costs of the Civil Service and measures being taken to improve departmental efficiency, including Sir Derek Rayner's scrutiny programme.

Mr. Paul Channon, Minister of State, Civil Service Department, will give oral evidence on Monday afternoon. The committee also intends to seek evidence from the National Staff Side of *the Civil Service and from Sir* Derek Rayner.

The committee, whose chairman is Mr. Edward du Cann, Conservative MP for Taunton, will publish a short report in about 10 days' time on Treasury proposals for changes in the form of the estimates on Civil Service pay.

There have been some private discussions and hearings on papers submitted by five groups of economists on the November expenditure White Paper. But the committee has decided to leave a fuller public investigation of economic issues for a couple of months until the full *spending* White Paper is published and the Budget announcement is made.

Plan to make NHS patients pay fees

BY ROBIN PAULEY

A PLAN which would mean patients paying National Health Service doctors for some minor or non-urgent treatment for the first time since the inception of the service is being considered by the Department of Health.

The proposal has been made by the British Medical Association. Initial discussions *have* been held with the Department of Health and Social Security.

Dr. Tony Keable-Elliott, chairman of the BMA general medical services committee, said he planned to raise the idea *again* at a meeting with Dr. Gerard Vaughan, Health Minister, on February 7.

The plan envisages no charges for treating sick patients. But there is considerable demand for services which doctors are not obliged to give under the health service, such as medical check-ups. The BMA wants the rules changed so such treatment could be given privately, out of hours, and charged for.

Dr. Keable-Elliott said no scale of charges had been set but a check-up might cost £12-£50, although doctors probably would charge only £2 or £3 for elderly or poor patients.

Other services for which fees might be charged included prescribing anti-sickness pills for people going on holiday, giving an anxious *person* something for his nerves before a driving test, injecting a patient with cholera vaccine when he *was not* travelling to a country affected by the disease and syringing ears or giving other non-urgent treatment at a time convenient to the patient.

He said the new scheme would not mean less time spent on sick patients. Doctors would work extra time or overtime and *charge* the patients for the service they wanted.

If the Government accepts the idea it will fuel the argument about whether the National Health Service is to be replaced or modified.

Mr. Albert Spanswick, general secretary of the Confederation of Health Service Employees and chairman of the TUC health services committee, has said the Government is planning to provide a mixed public and private health care scheme.

● There are now 2,533 pay beds in NHS hospitals in England, Wales and Scotland, compared with 4,444 when the 1976 *Health Services Act* became law. The annual report of the Health Services Board shows that 286 pay beds were withdrawn in 1979.

The Board was set up to make proposals for the phasing-out of pay beds and other private practical facilities from the NHS and to consider applications for large private hospital developments.

The report notes that 565 new beds in private hospitals have come into use since 1976 and that 840 were under construction at the end of 1979. The Health Services Bill, now before Parliament, seeks to abolish *the Board* and end the compulsory phasing-out of pay beds.

London and County ruling on Monday

A HIGH COURT judge will rule on Monday whether documents arising from a 1974 Department of Trade investigation of London and County Securities can be disclosed in a damages claim against chartered accountants Harmood Banner.

The 29 partners in Harmood Banner—now part of Deloitte Haskins and Sells—deny allegations that they were negligent in their audit of the 1973 accounts of two London and County *companies*.

London and County Securities ("A & D"), London and County Securities Group ("L & C") and nine other group companies claim that, as a result of the auditors' negligence, they suffered losses amounting to about £8.5m.

The plaintiffs want to bring in the Department of Trade inspectors' report, transcripts of evidence by four Harmood Banner partners and an employee of the firm, and correspondence relating to the investigation.

During three-and-a-half days of legal argument on the point, counsel for *Harmood* Banner contended to Mr. Justice Browne-Wilkinson that the documents were confidential.

Barnes Wallis leaves £132,153

Sir Barnes Wallis, of White Hill House, Effingham, Surrey, whose "bouncing" bomb was used by the R.A.F. Dambusters' Squadron, in the last war, left £139,766 gross, £132,153 net in his will published yesterday.

He was 92 when he died on October 30.

More information sought from insurance companies

BY ERIC SHORT

INSURANCE COMPANIES operating in the UK will have to provide much more information on their operations under the new-style annual returns contained in regulations* published yesterday.

The regulations come into force on January 1 next year and apply to returns prepared by insurance companies for their financial year beginning on or after that date. Since most insurance companies prepare their returns covering a complete calendar year, the new style will apply for the year ending December 31 next year.

One purpose of the new regu*lations* is to rationalise the previous sets of regulations, which had created a somewhat messy situation. They bring up to date the requirements for asset valuation, revised general business solvency requirements, identification of long-term business assets and liabilities, and the branch returns for overseas general business companies.

They also remedy deficiencies and ambiguities in the regulations set out in the 1968 Insurance Companies Act. They take into account new types of insurance business, in particular linked life business which was just appearing on the scene in 1968. The present accounts were not designed to cope with this, and have been causing problems to life companies.

Finally, the Department of Trade is responsible for monitoring the operations of the insurance industry and was given very sweeping powers under the 1974 Act. The information that will have to be given will provide the Department with a fuller picture of the financial picture of companies.

These regulations apply only to the returns made to the DoT and not to the preparation of accounts under the Companies Act. They no longer require the auditors, in the preparation of these returns, to show a "true and fair" view. Instead, they require the returns to "*fairly* state the information provided on the basis required by these regulations."

* *Insurance Companies (Accounts and Statements) Regulations 1980 SI 1980/86. SO £3.50.*

Gallery visitors

THE NATIONAL Gallery was visited by 2,575,833 people last *year, about 76,000 more than in* 1978. The Gallery said this was encouraging in the light of recent fears that attendance figures in art galleries were falling.

Toy trade hardly running like clockwork

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

BRITAIN'S TOY TRADE will meet at London's Earls Court today for the annual major UK toy fair amid an atmosphere of scarcely-veiled pessimism.

The 17,000 or so trade visitors expected at the fair will be only too aware *just* how *close the* last Christmas of the 1970s came to being one of the most memorable disasters of the decade. At the beginning of December a culmination of the ITV strike, unseasonally mild weather, and a general lack of consumer spending left an unprecedented level of toy stocks on retailers' shelves.

Only the widespread late sales surge in consumer spending helped in the toy trade by some hefty last-minute price cuts by retailers, enabled the trade to finish with its *head above water*. Like the retail sector in general, toy traders report that spending on toys in the pre-Christmas period finished about even in spite of the late start.

Toy retail sales for the year amounted to between £650m and £700m, of which about half was accounted for by retailers' profit margins and higher VAT.

At the same time as the retail end of the toy trade was experiencing uncertain demand, so the inherent problems with UK toy manufacturers became too big to hide. Just before Christmas, *Airfix Industries* announced the closure of its Liverpool-based Meccano factory, with the loss of over 900 jobs. While the ramifications of the closure rumbled on after Christmas, another major company, Lesney, said that almost 1,300 jobs would be lost.

The two companies are by no means exceptional in a year which has seen most of the famous names in the toy trade suffering either a profits decline or being forced to shed staff. (Ironically Triang Toys, which was rescued last autumn by the Morris Vulcan group, is one of *the few companies*—along with Morris Vulcan itself—optimistic for the rest of the year).

Traders at the Earls Court fair, which lasts until Wednesday, will be only too aware of the pessimistic forecasts being made for consumer demand this year.

In previous years the toy trade has shrugged off such pessimism by clinging to the belief that even during the bleakest of economic recessions, parents will always make sure that their children do not suffer at Christmas. Yet even the toy trade is beginning to realise that such assumptions can no longer *be* made with *firm* conviction as toys continue to escalate in price and consumers' disposable income comes under greater pressure.

Dogged

Although the present demand and manufacturing problems besetting the industry are the result of particular factors—the television strike, for *example*, was an unusual factor and the Meccano closure may have been partly due to industrial relations problems *on* Merseyside—there are a number of underlying problems which have dogged the trade throughout the 1970s and could continue into the new decade.

In the first place, the fall in the birth rate throughout the 1970s has obviously hit the toy trade. In 1970, for example, 9.3m children were in the prime under-10 target group. By 1978 there were only 7.7m. Although the decline in the birth-rate did not come as a surprise to the toy trade, it did *have* two significant repercussions. One was that it meant that in the absence of a growing market, the trade had to encourage parents to spend more per child to achieve any volume sales growth after allowing for inflation.

The second was that it encouraged manufacturers to export a greater proportion of their output. To their credit, UK manufacturers responded to this challenge with the result that about a third of their *£305m* output (at manufacturers' *prices*) in 1978 was exported.

However, this exporting success was double-edged. Not only did it leave manufacturers open to the fickleness of *children's tastes* in the various overseas markets, but it also meant that, when the value of Sterling appreciated rapidly last year, their toys were priced out of overseas markets. This in particular happened to Lesney's prices for its Matchbox models in the U.S. market.

In the 1980s, however, the problems for the toy trade caused by a declining birth rate should be eased. Official figures show that the birth rate is on the increase and by the middle of the decade, if current trends continue, there should be some real growth in the number of children being born.

In the UK trade, the impact of inexorably rising costs and interest rates has also exacerbated the manufacturers' basic problem that the bulk of their sales are in the last third of the year. However, the production and marketing cycle has to start much earlier, which means that finance has to be found to build up stock levels.

Many small retailers in the toy trade *would also argue* that the manufacturers have cut their own throats in succumbing to the demands of the multiple store chains. Multiples such as Tesco or British Home Stores have increased their sales of toys at Christmas by buying in volume and thus forcing large discounts out of the manufacturers. The multiples can then afford to cut prices and capture a large share of the Christmas toys trade.

Faster

As the Price Commission pointed out in one of its final *reports* before *being wound up* by the Government: "These discounts are negotiated from a position of increased buying power by the multiples and we have no evidence to suggest that they can be wholly justified by manufacturers' cost savings. The manufacturers are thus being subjected to a squeezing of margins."

The Commission also pointed out that "given the multiples' general *policy of stocking* only the more successful and faster selling toys and games, and the concentration of their retail sales during the Christmas period," it was likely that the multiples would increase their market share. This would inevitably lead "to a reduction in the number of outlets selling toys and games and to a reduced choice to the consumer."

There is some feeling among retailers, however, that toy manufacturers may rethink their policy in the light of their current problems. It is felt that manufacturers are weighing up the *benefits of* the multiple trade—guaranteed high volume sales and early payments—against the need to ensure that their profit margins are not eroded even further. Although the multiples' buying power is too firmly entrenched to be jettisoned, manufacturers may decide to give more attention to the needs of the specialist toy retailers, whose business earns higher profit margins for the manufacturer.

Apart from the underlying problems facing the trade, there seems little doubt that buyers at the Earls Court fair will be cautious in ordering for next Christmas.

At Earls Court last year, for example, the new generation of electronic games were attracting all the attention with large orders being taken. As it turned out, demand for these games was curtailed firstly by the initial lack *of* television advertising and then by the diversity of toys on offer, which left many parents bewildered. Only some exceptionally large price cuts enabled stocks to be shifted before Christmas, and some retailers still have a considerable number of games to sell off.

In such a *fast-changing area* as electronic games, nobody wants to sell last year's outdated toys in the competitive market next Christmas.

LABOUR

No work for 5,000 lorry drivers

ABOUT 5,000 lorry drivers are *out of* work because of the steel strike and the number is growing fast, according to Mr. John Silbermann, national chairman of the Road Haulage Association.

Inactive lorries spelled "economic disaster" for hauliers, and personal hardship for drivers, he said.

● Pickets tightened their grip on Scottish oil ports and pipe storage yards when Peterhead dockers agreed to black steel shipments to offshore installations. Shop stewards at the Ardersier construction yard decided not to handle steel destined for shipment to oil platforms.

● Lord Thorneycroft, Conservative Party chairman, said jobs in BL and other steel-using industries would be threatened if the strike continued. Unions should recognise *that only* with higher productivity could the steel industry afford higher wages.

London dockers stage lightning action over pay

BY GARETH GRIFFITHS, LABOUR STAFF

DOCKERS in London's enclosed docks went on a one day unofficial strike yesterday as part of a campaign of lightning *stoppages in* support *of* their pay claim.

The dispute was supported by between 2,500 and 3,000 members of the Transport and General Workers' Union. Traffic in the India, Millwall and Royal enclosed docks was stopped, although work at the container berths in Tilbury continued. It was the second such stoppage in a fortnight.

The Enclosed Docks Employers' Association met yesterday to discuss the pay position at the port. The technically insolvent Port of London Authority, which dominates the employers, has said it cannot afford more than the 10 per cent already on offer, with an additional 2 per cent funded by manning reductions.

About 1,000 members of the National Amalgamated Stevedores and Dockers' Union turned up for work yesterday but refused to handle TGWU members' jobs, effectively bringing the upper docks to a standstill. The union has told employers it will hold an all-out official strike from February 11, unless the pay offer is substantially increased. The union claims between 35 and 40 per cent.

The Port of Liverpool was last night hit by an unofficial strike involving about 250 shore gang men, members of the TGWU. The strike is over 32 redundancies at the port, and five ships have been affected.

BSC pays for stone it cannot use

By Robin Reeves, Welsh Correspondent

THE BRITISH Steel Corporation has admitted it is committed to a 15-year contract for the delivery to its Llanwern steelworks of limestone for which it no longer has any use.

An allegation that BSC was paying £300,000 a year for unwanted limestone was made by Mr. Roy Hughes, Labour MP for Newport, Gwent.

In a letter to Mr. Hughes, who yesterday called for a full inquiry into the affair, Mr. Peter Allen, managing director of BSC's Welsh division, said the contract was signed in 1972 with Amey Roadstone, a subsidiary of Consolidated Goldfields.

Mr. Allen said BSC had been *examining methods* of using the limestone in different form. The contract, which is inflation-indexed, is for delivery of the limestone to Llanwern as two-inch stone.

However, under the terms of the contract, BSC is paying Amey about £300,000 a year without taking delivery of the limestone.

Mr. Allen did not confirm reports that BSC tried to buy out the contract last year for about £3m, an allegation denied by Amey Roadstone.

Teachers to stage selective strikes

BY PHILIP BASSETT, LABOUR STAFF

THE NATIONAL Union of Teachers yesterday intensified its campaign against Government cuts in education spending by instructing its members in about 30 schools to stage a series of selective strikes.

The union's national action committee told members in nine schools in Avon to strike for two days next week. Members in another nine schools will be called out the following week and in a further nine the week after.

The union has already been applying sanctions in Avon. Teachers have refused to operate new time-tables, because of a £4m cut in the education budget, which the union claims will freeze about 400 teaching vacancies.

The NUT warned that strike action would be imposed at Trafford, Greater Manchester, unless there was a positive response by the authority to the planned cuts, which the union claims will mean the loss of 90 teaching posts.

● The National Association of Teachers in Further and Higher Education yesterday accepted an interim pay increase of 8.2 *per cent* on *March, 1979, rates* for its 80,000 members, who are mainly college lecturers.

The increase *follows a similar* rise agreed on Thursday for 482,000 primary and secondary school teachers in England and Wales.

Newspaper Society loses a member

BY GARETH GRIFFITHS, LABOUR STAFF

THE Newspaper Society said yesterday that the Nottingham Evening Post, which sacked 28 journalists during last winter's provincial newspaper strike, had left the society.

The decision is likely to be welcomed by the majority of the society's 1200 members. Its relations with the National Union of Journalists have been under considerable strain over the incident. The union had been demanding the paper's expulsion.

Mr. Christopher Pole-Carew, managing director of the Evening Post, said the decision to leave was not connected with bitterness about the strike. The company found the society's industrial relations policy meaningless. It would *save £12,000* a year in membership costs.

The decision by the Evening Post board on *January 3* to leave means that the chances of reinstatement of the sacked journalists are now highly improbable. About 18 of them are working for the Nottingham News, a weekly co-operative set up in rivalry to the Post.

Commons experiment starts badly

THE COMMONS experiment of starting one-and-a-half hours earlier on Fridays did not get off to an impressive start yesterday.

Mr. Michael English (Lab Nottingham W) complained that some departments were reducing the service to members because of the arrangements. The library was shortening its hours, and the tea room was not providing coffee before the start of business.

At 9.30 am, when a debate on the development of a leisure service began, there were 14 Conservatives and 11 Labour MPs in the Chamber. During the lunch hour, four Tory backbenchers and two Labour members were there. But by 2.30 pm, half an hour before the close, 20 MPs were in their seats.

BNF's water claim selfish

THE North West Water Authority accused British Nuclear Fuels of being concerned only *with its own needs at the Lake*land inquiry yesterday.

Both bodies are seeking larger water supplies. BNF's plan would raise the level of Wast Water to satisfy the Windscale plant. The water authority wants to cater for industrial West Cumbria.

The inquiry considering the planning *applications* heard that the authority's application would provide storage for emergencies as well as supplying industry.

£20m canal cost if Vale is mined

Financial Times Reporter

SAVING the Grantham Canal is likely to cost much more than £20m if the Vale of Belvoir is mined by the National Coal Board.

This was made clear by Mr. David McCance, general manager of the British Waterways Board, when he appeared at the Belvoir inquiry near Grantham yesterday.

Scots to rally on spending

By Ray Perman, Scottish Correspondent

THE SCOTTISH TUC yesterday called for a demonstration in Glasgow on March 8 against *the Government's cuts* in public spending and the rising level of unemployment.

Mr. Jimmy Morrell, vice-chairman of the Scottish TUC, told a Glasgow conference of trade union and local authority representatives that if the demonstration was to have any impact on the Government's thinking, it would have to be the largest political event in Scotland for many years.

It was *ridiculous* to argue that high public spending was the cause *of* our industrial *problems*, he *said*.

Leyland workers accept job cuts

LEYLAND VEHICLES will go ahead with a £175m investment programme at its light/medium division factories in Scotland following the acceptance by the workforce of 750 redundancies, the company said yesterday.

Attack on jobs legislation

BY OUR LABOUR STAFF

THE TUC gave a warning yesterday that the Government's Employment Bill could lead to small local issues being blown up into major industrial disputes by "ill-advised" court action and legal sanctions.

Mr. John Monks, head of the TUC's organisation department, said that the Government was ignoring the lessons *of the 1971 Industrial Relations Act*. Its proposed legislation showed the same undue reliance on legalistic interference.

He told the executive committee of the TUC's South-west *regional* council in Taunton yesterday that the Bill would place a "time-bomb" under stable industrial relations and established bargaining arrangements.

British industry already had enough problems without the disruption and damage to industrial relations which would be caused by the Bill.

Meccano talks backed

BY OUR LABOUR STAFF

SHOP STEWARDS at the Meccano *factory in Liverpool* yesterday gave their backing to a joint union management working party to look at ways of attracting a buyer.

The party is also to hold dis*cussions on the level of redun*dancy payments for the 940 Meccano employees. Airfix Industries, the parent company, has said it will offer three months' pay, with a top-up allowance *for workers* with long service.

Mrs. Pat Turner, General and Municipal Workers' Union national officer, said last night that a mass meeting of workers at the Liverpool factory would be held on Monday. She hoped it would still be possible to find a buyer *for* the plant, and that talks would be conducted at a local level next week.

THE WEEK IN THE MARKETS

Hectic days in the gilt-edged market

LONDON

ONLOOKER

Most of the action in the London stock market this week has been concentrated on the issue of two new Government stocks, which has completely dominated the gilt-edged market. Equities have rather run out of steam after their recent sharp rise, and have tended to move in line with gilts over the last few days of the trading account.

On Monday gilts moved ahead strongly, so that it looked as though the oversubscription of the two new stocks on Wednesday would be a foregone conclusion. But on Tuesday financial markets all over the world were extremely volatile, with the gold price falling by $135. Some profit-taking in gilts left investors uncertain as to whether or not they ought to apply for the new stock.

So volatile have the markets become that most funds decided it was best to wait until Thursday morning, when the two new stocks would be traded in the open market. The issues were undersubscribed. But as gilts rose again on Wednesday, there was a rush for the long tap the following morning.

Some of the stags, expecting to have their applications scaled down by the jobbers by as much as nine-tenths, put in for a very large amount of stock, and were astonished to receive 50 per cent of what they asked for. Heavy distress selling followed, and the dreadful fit of indigestion that has been on the cards for several days duly arrived—the partly-paid long tap fell from £26¾ to £23¾ within a few hours, and the stags were routed.

Until Davy Corporation's profits paused for hreath last year, it was easy enough for the City to believe that the group was firmly set on a growth trend, defying tha construction cycle that would normally bedevil the earnings of process plant engineers. The acquisition of McKee in the U.S. had virtually doubled group turnover, and the company's statements were unfailingly optimistic.

In the six months to September, though, a lot has gone wrong, and pre-tax profits bave dived to £4.6m from £8.5m, even though McKee made a first time contribution.

Part of the trouble was the engineering strike, which burt Davy's UK manufacturing businesses quite badly. Less predictably, there was a £3m provision against losses at the Olsen subsidiary in the U.S.; this sort of thing crops up from time to time in a business like Davy's—if not quite on this scale—but in a better year there would bave been positive factors to disguise it.

The underlying business also seems to be suffering. The flow of large new contracts has been slowing down, which means that Davy has been starved of the interest it earns on its customers' downpayments — an important source of income. And margins on tha contracting business are under pressure; as the contracts can take several years to complete, profits can be affected well into the future.

Facsimile falters

What marks Muirhead out from the general run of high-growth electronics gronps is that its products, particularly in facsimile transmission, are not designed for a customers' specific needs and, as a result, it needs to build long inventories against potential orders.

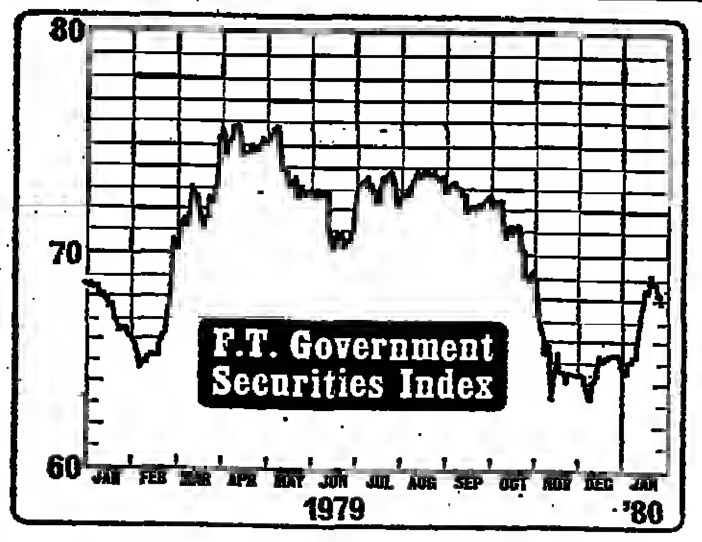
Facsimile orders failed to meet budgets last year, possibly by as much as £2m and the immediate consequence was an expensive rise ln stocks and a near threefold rise in interest charges. Knocked hy the engineering strike at a time when output is normally at peak levels, hurt by adverse currency movements and bit by the effect of the Iranian revolution on a planned sales and prodnction increase in this country, profits crumbled from £2.16m pre-tax to just £911,000.

The dividend bas been cut from a net total of 5.0757p to 4p a share and the shares were marked down from 230p to 215p, after an earlier fall to the 12 month low of 170p on Thursday. But, even at this level, the historic yield of under 3 per cent strongly indicates further vulnerability.

Negligible income is often deemed defensible in many of bot growth electronic stocks, but Muirhead bas never properly attained a glamour rating, eveo when profits seemed to be moving smoothly forward. Other than the enigmatic Kuwait Investment Office with a holding of 8.4 per cent, the register is still dominated by small sharebolders; institutions have never been persnaded to flock to Muirbead's banner.

Where next? There is a body of opinion prepared to believe that an offer from Tyco Laboratories is on its way. Certainly the shares are supported solely by bid speculation, but Muirbead understands that Tyco's stake, rapidly built up to 14.7 per cent last autumn, should be seen purely as an investment. Tyco is generally regarded on Wall Street as fast on its feet and its recent share-buying activities bave been described as "both flashy and generally profitable."

Yet it is bard to see how this new U.S. investor can take a quick profit from this transatlantic foray. Muirhead's year has started hadly after a fire at the important rotating componeots plaot in Madeira and the burden of beavy stock and debt-servicing costa will be no less onerous.



Stocks and work-in-progress were 47 per cent of total turnover in the September 1978 accounts — a 7-point rise oo the average of the threa previous years — and analysts expect a further significant lift in the forthcoming balaoce-sheet. A hefty net casb outflow, they believe, is inevitable.

Armitage options

It has heen sn exciting week for shareholders of Armitage Shanks, Britain's last major independent sanitaryware maker. The £28m bid from the leading cement group, Blue Circle Industries, caused the shares to shoot up sharply, aided by the intriguing presence of a large minority holding in the shape of the Lebanese-controlled Ceramics Investments BV.

Blue Circle's bid was high compared with the 55½p at which the Armitage shares were suspeoded pending news of its hid. But the London representatives of Ceramics, MEA Investmeot Company, were sceptical about the size of the offer.

It values Armitage at around 90p a sbare. At this level, said Mr. Keith Hamer, a director of MEA, "we are dissatisfied." So far, the real identity of the Lebanese group is not known: for political reasons, it bas been keeping a low profile.

But Ceramics lifted its stake to Armitage by a further 2.3 per cent on the day after the bid to 23.5 per cent, prompting speculation as to whether a counter-bid was on the way. Blue Circle felt this was unlikely, althougb Mr. Hamer said this was one of the options that the privately-owned Lebanese group would be considering.

On the same day that Ceramics increased its holding, Bloe Circle also entered the market to pick up nearly 15 per cent of Armitage's equity, the maximum it can hold uoder Takeover Code rules without having to make a full cash hid. Blue Circle has offered two of its own shares, with a variation of one share and 258p cash, for six units of Armitage. According to Blue Circle's managing director, Mr. John Milne, the offer was pltched high so as to discourage potential counter-hidders and to ensure the whole-hearted agreemeot of the Armitage Board.

If the Lebanese group does decide to launch a full hid, it will presumahly have to identify itself. Its stake in Armitage represents one of its first direct moves ontside the Middle East, where it has been estahlished for some 50 years. It has wide industrial, shipping and investment interests in the area, and runs the largest sanitary ware and tile manufacturing operations there.

Mystery auction

Sotheby Parke Bernet has beeo more conspicuous on the Stock Exchaoge floor than lo the saleroom recently. Full year figures ahowing a 17 per ceot rise in pre-tax profits pushed the shares down to 385p around a fortnight ago but since then they have shot up, reaching 485p at Thursday's close.

Part of the explanatioo lies in the chairman's statement, published on Monday, which disclosed at 31.5 per cent increase in net auction sales, excluding real estate, over the first four months of this year.

Nooe the less, it is unlikely that this ststement alooe could have accounted for the dramatic share price rise and there have been reports in the market of heavy American huying.

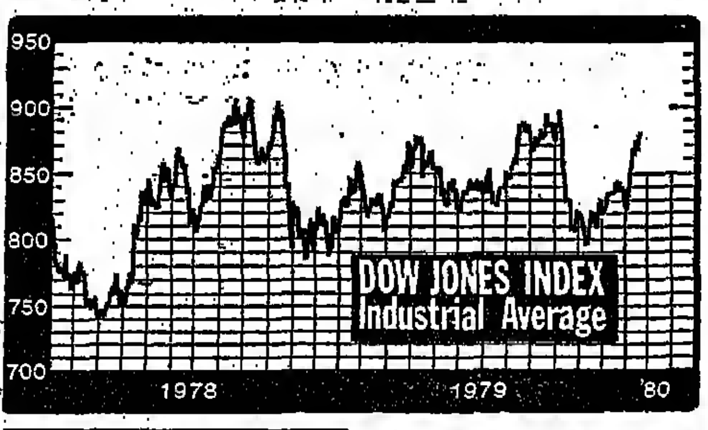
This may be simply because Sotheby, which is expanding fast across the Atlantic, is now more familiar to U.S. iovestors who have no comparahle company in whicb to place funds at home. Sotheby's finance director, Mr. Peter Spira, also believes that the attractions of gold as a hedge may have spilled over to companies trading in other valuable commodities, including Sotheby.

Yet rumours persist that a mystery bidder is lurking in the wings. American Express is one oame which has heen mentioned as a suitor, hut the company has categorically denied any interest. It would be virtually impossihle to succeed with a contested bid since around 50 per cent of the ordinary shares are held by directors of the group and its subsidiaries, together with the friendly Rothschild Iovestmant Trust. So a high premium would presumably he needed and with the shares already trading at around 3½ times net asset value, that implies a lot of goodwill.

MARKET HIGHLIGHTS OF THE WEEK

	Price yesterday	Change on week	1979/80 High	1979/80 Low	
F.T. Ind. Ord. Index	452.4	− 7.4	558.6	406.3	Overshadowed by gilts
F.T. Gold Mines Index	324.9	−35.5	360.4	129.9	Lower bullion price
Allied Breweries	77	− 7	102	76½	Adverse comment
Appleyard	79	+17	114	55	Speculative demand
Armitage Shanks	92	+37	95½	44	Bid worth 90p from Blue Circle
Bertam Cons.	64	+16	65	20½	Buoyant plantations
Boustead	60	+20	60	32	Persistent support
Burt, Boulton	215	+30	215	165	Increased interim profits
Davy Corpn.	89	−19	153	88	Poor half-yearly figures
Denbyware	103	−12	133	95	Interim profits setback
Foster Bros.	86	− 8	130½	72	Adverse comment
Grieves	105	+21	115	65	Cap. dist. from £3.7m sub. sale
Metals Exploration	70	+11	71½	25	Return to profitability
Mount Lyell	120	+20	120	30	Good first-half results
Muirhead	203	−33	303	170	Sharp downturn in results
National Carbonising	124	−13	148	40	Talk of bid for Weeks Pet.
Rank Organisation	208	+19	300	168	Better-than-expected results
Rustenburg Plat.	270	−56	326	94	Conservative dividend policy
Siebens (UK)	650	+84	650	190	Renewed speculative demand
Stocks (J.)	104	+27	104	48½	Bid rumours

In the shadow of the bear



NEW YORK

IAN HARGREAVES

THE COVER of Time Magazine aims to be and often is a pretty accurate reflection of the American mood. This week's offering, a torrid coloured map of Afghanistan and its environs, with the steel clawed foot of a monstrous bear planted firmly in the centre and held there by a metal trap, is no exception.

On one level, the illustration is merely a graphic representation of State Department policy objectives. But beyond that the picture is an example of the frustrated wishful thinking which has built up inside the U.S. at the sight of another unchecked extension of Soviet control.

President Carter was riding shoulder high on this jet of frustration in Wednesday'a State of the Union address. The President says he bas been shocked by the Russian move and is now making up for lost time in anti-Soviet rhetoric.

Time, at least, can claim consistency. A year ago to the day, its cover pictured the same bear wearing a slightly somnolent but still predatory expression as it looked over the mountains tothe "crescent of crisis" stretching from Ethiopia to Iran.

The sense of Americans lining up behind their President was an important factor this week on Wall Street, which for the third week in succession pounded along at a frantic pace, broadly in an upward direction—at least until Thursday evening.

The markets, of course, have indicated from the start of Mr. Carter's tronbles in Asia that they like the idea of extra defence spending, although towards the end of last year when that policy switch emerged, the enthusiasm was tempered with a feeling that the precarions international situation could easily turn out negatively for stocks.

Since the Russians invaded Afghanistan, the market has tried very bard, almost one feels in a surge of naked patriotism, to pnt these worries behind it.

It was obvious, for example, that the bigher defence budget, unmatched by other fiscal economies, was going to pnt more strain on inflation and therefore on interest rates and that this could mean the re-entry of the federal reserve with a new bout of monetary belt tightening.

So the market bad no right to sound surprised when yesterday morning brought a quarter point increase in the big banks' prime lending rate. That development was preceded on Thursday evening with significantly higher-than-expected money supply figures.

Whatever the elements of illogicality, however, by the close on Thursday the Dow Jones Industrial Average was back where it ended on October 5, the day before the Federal Reserve announced its watershed change in monetary management and precipitated a free fall in stocks.

There are, of course, arguments which can be lined np to aay that this time the Fed will ignore the beat generating inaide the economy. We are now four months closer to the Presidential elaction and, there is no doubt, that foreign policy has replaced worries about inflation and declining living standards as the number one consideration among voters.

If, however, the international situation cools down, it is bard to see how Messrs. Solomon and Volcker, the two top men at the Fed, can just sit and watch.

So much, anyway, for—to pass on the worst Wall Street joke of the week—the Russian Bear market. There were lots of other thinga happening too.

Gold started to display manic tendencies in midweek and was the chief factor behind Tuesday's declining market, although after that day investors seemed happy to go on buying stocks in mining and metals companies, which showed modarate gains on Wednesday and Thursday.

The othar big factor was the opening in earnest of the quarterly results season, which, in spite of a good deal of patchiness both between sectors and within sectors, has broadly confirmed what the Government statistics had already pointed out, that the U.S. economy did not take the expected leap into recession last quarter.

Steel companies did badly and no doubt the motor firms will follow suit when they report next week or the week after. The oil companies have been coming in with quarterly net earnings gains of around 60 to 70 per cent, pretty much on target though slightly less spectacular than the last set of quarterlies.

The banks, by and large, found record interest rates in the final quarter good for profitability, with some notable exceptions, such as the troubletorn First National Bank of Chicago. Chemicals were mixed—Union Carbide moderately up, Monsanto sharply down, Du Pont down but less sharply; aluminium companies turned in a star performance.

General Foods was down and the airlines, victims of the foel price explosion, look like coming in with very poor figures, having been led by buge losses at TWA.

The market has responded to the figures with a genial air. It sharply ticked down poor performers, marked np the good boys and carried on whistling.

The feeling now is that President Carter's defence spending U-turn may well be enough to buy the American economy, at least in the medium term, out of a recesssion it showed great reluctance to embrace in any case.

It may be a shortsighted view, but the market has not been short of participants in the last fortnight willing to indulge it. On the smaller American Stock Exchange, wbere the market valne index was again bounding to new records this week, stockbroking is becoming an increasingly popular activity.

On Wednesday, a seat in the exchange changed hands for $120,000, a 26 per cent increase on the last transaction of this kind.

MONDAY	872.8	+ 5.63
TUESDAY	866.21	− 6.57
WEDNESDAY	877.56	+11.35
THURSDAY	879.95	− 2.39

FINANCE AND THE FAMILY

Son's interest-free loan

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

My son wishes to make me an interest-free loan. What document should I provide him with to enable him to claim repayment of the loan from my estate without having to pay Capital Transfer Tax on the amount? Does the fact that no interest is to be paid constitute a problem in regard to Income Tax? If so, are there any steps that can be taken to minimise the problem?

A receipt stating the terms of the loan with a duplicate held by you would suffice. The benefit arising by the absence of interest will have to be brought into computation for Capital Transfer Tax, but as this will affect your son's CTT position, not yours, it is less likely to present a problem (unless he has used all his available allowances). We see no income-tax problem. If the loan is very large it may need to be restructured.

Disorderly pub customers

Three years ago a new tenant arrived at one of the local pubs. The tone soon deteriorated. This last summer season reached a high peak in noise and general nuisance, often a long while after supposed closing times. Residents are constantly woken up and many have complained to the brewery, but nothing is done. Can a group of local residents obtain the closure of a pub? Can they at least force a change in tenancy?

Apart from opposing the renewal of the licence for the public house in question when next it comes up for renewal at the licensing sessions, there is nothing that you can do directly to require it to close or enforce a change in tenancy if the brewery is unmoved by your representations. However it might be possible to persuade the Local Authority to require abatement of the noise nuisance pursuant to Section 58 of the Control of Pollution Act 1974, if you can procure a number of complaints about the noise to be made to the Local Authority.

Creating a tenancy

In 1971 I rented an unfurnished flat on a three year agreement which was not renewed on expiry. However, I have continued to pay the rent and agreed to two rent increases subsequent to the expiry of the agreement. I am normally resident abroad and have been since the inception of the lease and only visit the flat very occasionally, it being occupied full time by my son. Is it possible under these circumstances to have the "tenancy" transferred to my son?

It is probable that you have nothing but a tenancy at will which can be determined without notice. However there may be a periodic tenancy terminable on notice of the period of your rent intervals. Your son has no right to claim a tenancy; but you can try to ensure that a tenancy in his favour is created by payment and acceptance of rent. You should therefore arrange for your son to pay rent in his own name, and hope that the landlord will accept it.

Measurement from a wall

In accordance with my deeds I built a boundary wall 3 ft from my neighbour's building. A year later, my neighbour dug down to his foundations and located the footing, which protrude 4 inches nearer my wall. Did I take my measurements correctly, or shall I have to take my wall back?

We think that your measurement was correctly taken from the wall itself.

A chargeable event

Some five years ago I bought some Abbey 11 per cent Income Bonds. These matured on April 1 last year—on April 9 I surrendered these bonds and later received payment by cheque dated April 20. I know I have to pay tax on gains, but should this not apply to the years 1979/80 and not to 1978/79 for which I have received an assessment?

From what you say, the chargeable event was the maturity of the bonds on April 1. That being so, the gain is deemed to have arisen on that day, and it is consequently assessable to income tax for 1978-79 (regardless of when you actually received the money).

The rules are set out in section 394 of the Income and Corporation Taxes Act 1970.

Brokers stamp duty

I had purchased and have now resold some South African shares through a firm of stockbrokers members of the London Stock Exchange. The transfer deeds for the purchases have still not been delivered to the stockbrokers by the market and therefore they have not yet been able to send the shares for registration into my name. In these circumstances, I have raised my argument with the stockbrokers that the transfer deeds for the purchases, upon receipt by them from the market, be redelivered to the market against the sub-sales under the Finance Act, 1963, Section 67(5) thus avoiding. (a) unnecessary registration of shares into my name in order to make quick delivery against the sub-sales, and (b) the payment by me of the 2 per cent Stamp Duty as this becomes payable by the sub-purchaser. I did not get a satisfactory reply to my argument and the firm of stockbrokers insists on ad valorem Stamp Duty being paid by me. What do you think?

We think that you could properly require the brokers to bear the stamp duty if they have not followed your instructions on the sub-sale and if you gave those instructions in time to enable the brokers properly to follow the course which you suggested.

Chargeable gains interpreted

Chargeable gains for 1978/79 are agreed as follows:

	Gains £	Losses £
On qualifying unit trusts	3,008	244
		(2,764)
On other shares	2,430	378
Carried forward	—	341
	£5,438	£963
		(4,475)

I have been assessed as:—

£3,475 at 15 per cent	521
credit—£2,764 at 17 per cent	470
Tax payable	£51

I have appealed, claiming that the credit applicable should be £511 as calculated under Section 112(3)(b) of Finance Act 1972, ie, 17 per cent on £3,008—this being the smallest of the three alternative amounts under that sub-section. The Inspector insists that the credit given in the assessment is that as calculated under Section 112(3)(c)—ie, on £3,008—£244. I countered that an amount under (c) would come to 17 per cent of £4,475—£761, and so not applicable. Surely the calculation under (c) is with reference to total chargeable gains less losses on all classes of assets—not just on the qualifying unit. Do you agree?

You are right, and we congratulate you on understanding the oddities of section 112 better than the taxman does. If he had taken the trouble to read the Inland Revenue's own leaflet CGT5A, he would have seen that the Board support your interpretation of section 112(3), not his.

The figures are, as you say, (a) £521.25, (b) £511.36 and (c) £760.75; your CGT bill is therefore £9.89, not £51.

The Board are anxious that taxpayers should not be overcharged, and so we suggest that you mark your reply 'For the attention of the District Inspector,' since your case is probably being handled either by a junior Inspector or, more likely, by a tax officer (higher grade). You may wish to invite the District Inspector to check that no other taxpayers dealt with by the officer in question have been charged too much CGT on disposals of unit trust units, etc.

The terms of a covenant

In 1950 my (then) neighbour, wishing to extend his garden, bought a single freehold building plot between his house and mine. When this plot was conveyed to him I believe he entered into the restrictive covenant imposed on all purchasers of plots on this residential estate not to erect more than one dwelling house thereon. In 1960 this neighbour (now deceased) sold his house and plot to my present neighbour, who is now seeking planning permission for the erection of two houses on the "single" plot. What steps could I take please to establish definitely whether the restrictive covenant entered into in 1950 was registered at the Land Registry; and having established the fact of registration, to ascertain the precise details of the covenant? I should add that the land in this area is not registered.

You can search at the Land Charges Registry against the name of your 1950 neighbour. If this discloses a Land Charge Class D (ii) you can then bespeak a copy of the entry—but this may not be sufficiently full to satisfy your purposes. There is however no other way of ascertaining the terms of the covenant except by asking the original covenantee (i.e., the vendor of the plot when your neighbour bought in 1950). You may wish first to show your own deeds to a solicitor with a view to ascertaining whether the convenants are in a form enforceable by convenantors among themselves at all.

Problems of an overseas portfolio

TAXATION

DAVID WAINMAN

REMOVAL of exchange controls may encourage more overseas portfolio investment. But there seems to be many misconceptions about capital gains tax on currency investment.

Capital gains and losses are calculated in accordance with a set of formulae, these now being set out in the Capital Gains Tax Act 1979. Gains, or losses, are in general defined as the difference between the cost of acquiring an asset and the proceeds of its disposal.

But glimpse of the obvious as it may be, this description of the tax's operation leads us straight to two key principles. First, we must be clear what is the asset being purchased or being alienated.

Secondly, if a figure is required by the law to be put on each of acquisition and disposal, these can only be sterling figures. All the taxes under the Revenue's care are not only assessable and payable in sterling — the computations leading to the quantification of that liability must also be in sterling.

This has been a rather laboured explanation. But it is the only way in which one can dispose of the first of the general misconceptions. If a taxpayer buys shares in General Motors for $4,100 and sells them for $4,500, his gain is not $400 translated into sterling at the time he receives that last-mentioned figure.

The computation required by the Act is as follows. First quantify in sterling the disposal proceeds, at the date of that disposal. Since this last is explicitly defined as the contract date, this involves translating the dollar proceeds into a sterling equivalent as at that time.

We will see below exactly how that transmogrification is to be achieved, but for present purposes let us assume that we can use $2.25 as the appropriate rate and produce a sterling figure of £2,000.

Next, we need a sterling equivalent of the acquisition cost at its contract date. If the buying rate for spot dollars at the date of the purchase contract was $2.05, then the Revenue would regard the shares as having cost £2,000.

They would therefore accept that the taxpayer had broken even for capital gains tax purposes.

These computational figures may bear little resemblance to what the taxpayer himself might regard as the reality of his transactions. He might have found, for instance, that the actual sterling cost of the $4,100 which his agent wanted in settlement of his purchase was £1,971, if the rate was $2.08 at the time of settlement.

It might also be that he had not remitted and reconverted to sterling, the dollar proceeds of the sale, but had reinvested them in the U.S. Neither of these affects the General Motors computation already set out, but we cannot dismiss them without further thought.

The Inland Revenue says the difference between the £2,000 acquisition cost of the General Motors shares, and the £1,971 actually paid for them, is a "gain made by repaying indebtedness."

The taxpayer owed his agent currency equivalent to £2,000, and the latter accepted (that same) currency when it was equivalent to £1,971. However, a loan of this kind from an agent to a taxpayer is not, so far as the borrower is concerned, a chargeable asset within the scope of capital gains tax, and he is therefore not liable to tax on this £29.

The position regarding disposal and reinvestment is what most people find surprising. But it is a matter of pure logic as soon as one recognises what are the chargeable assets upon which the taxman fixes his sights.

When the taxpayer contracts to sell his General Motors shares, he creates not only a disposal of that asset effective at the contract date, but also a simultaneous acquisition of another chargeable asset, namely dollars.

Foreign currency is within the scope of the tax, except where it is held for the taxpayer's personal expenditure, or that of his family, outside the UK.

The taxpayer's only way of quantifying into sterling the disposal proceeds of his General Motors shares is to ask two questions. How many dollars did he receive? and how many pounds would he have received had he sold those dollars for sterling? In other words, the sterling figure is the spot selling rate at the date of the contract applied to the dollars later received or receivable.

But the law then sensibly agrees that this same figure should be taken as the acquisition value of the new asset acquired—the $4,500 which the taxpayer holds for reinvestment.

On the subsequent date when he contracts to reinvest these dollars, he values his "realisation" of them at their spot selling rate, and once again this forms the acquisition cost of his new holding of shares.

Different inspectors of taxes may well, over the coming months, evolve different methods of dealing with these calculations. It would obviously be easier, in any case in which sale and reinvestment are close in time as well as being equal in amount, if the acquisition and disposal of dollars were to be regarded as no more than a step in the succeeding acquisition of the new investment.

There are, on the other hand, taxpayers whose sales and purchases are frequent, but are unmatched in time and amount. For them, a system of dealing with dollar bank balances on an annual revaluation basis has long been operated by agreement with the Revenue.

Each taxpayer must decide whether he can operate within the strict statutory basis set out above, or whether he needs to approach his own Inspector for agreement to adopt, consistently, some other basis. But it will help neither party if the taxpayer makes this approach under a total misapprehension about the statute's requirements.

Base metals may go ahead after the gold dust settles

MINING

KENNETH MARSTON

HAS THE DUST settled in the gold market? Nobody can tell at this stage, of course, but after a wild leap of $90 to $850 per troy ounce at one time on Monday and a dizzy plunge to $590 on Wednesday, following the curbs imposed on speculative dealings in the U.S., the price seems to have settled down to around the $700 level—give or take a handful of dollars.

The price fluctuations have been so violent that the difference of $260 between the lowest and highest levels reached this week equals the full price of the metal which was obtaining as recently as last May. Inevitably, gold share prices have bowed to the winds.

At current levels most gold share prices are still reasonable, being justified by mine earnings based on a lower bullion price of $500, or a little less. As I have pointed out before, however, this does not prevent them falling when the price of gold takes a tumble. For the time being, therefore, holders of high dividend-paying golds, have no reason to part with their shares.

Recent share buyers who took a different view are sadder and wiser this week.

While it would be rash to assume yet that the precious metals have had their day, I still prefer to look ahead to prospects for the base-metal miners. In a less spectacular way than the precious metals, the humble base metals enjoyed a good recovery last year and company profits therefrom have made a fine showing.

Prices of copper, zinc, lead, nickel and the rest are still far from being high when related to production costs but the world economic recession suggests that they could fall before they rise again. Perhaps—and I can only offer this thought as one for consideration — Soviet Russia's recent actions have altered the case.

In other words, Western defence spending seems more likely to rise than fall and—like it, or not—the fact remains that this spells increased demand for metal. At all events, the base-metal producers appear to be reasonably confident that metal prices will stay firm.

This week America's Texasgulf, which has big Canadian base-metal mining interests, has forecast "even better" results in 1980 following more than doubled profits in 1979. South Africa's Messina (Transvaal) copper mining and industrial group also expects to earn more this year, anticipating that copper prices will be at least as good, if not better, than in the company's financial year to last September.

From Australia MIM (Holdings), the country's major producer of base metals has announced nearly quadrupled profits of A$93.8m (£45.6m) for the past half-year and has commented on the fact that the spill-over of "investment" demand from precious metals to base metals could maintain prices of the latter.

Indeed, as our Commodities Editor has explained this week, such buying is already distorting the normal demand-supply picture in many commodities.

But leaving aside the special factors, I still feel that when the world eventually pulls out of recession, existing mine capacity will be hard-pressed to meet the demand for base metal.

For this reason I recommend Australia's Western Mining at 180p three weeks ago. [illegible] and still worth buying as are the other major base-metal stocks then suggested, Amax, Amcoal, Noranda, Rio Tinto-Zinc and Selection Trust.

My view of Western Mining has been further strengthened this week by the news that the massive Olympic Dam copper-uranium find at Roxby Downs in South Australia is turning out to be even bigger than was previously thought and that a new deposit—perhaps an extension of the original discovery—may have turned up 25 kilometres away.

The eventual development of Olympic Downs is still a long way off and its cost can be put at around some £500m, at the least. Fortunately for Western Mining and for us in the UK, British Petroleum is the 49 per cent partner and there may be no shortage of other major concerns willing to pay for a piece of the action.

It may be that the bullion market is more soundly based now that some of the speculative froth has been blown away. However, a worrying aspect of the high metal price is the damage that it must be causing to the demand from the jewellery trade which in 1978 took 1,001 metric tonnes out of a total world supply of 1,742 tonnes.

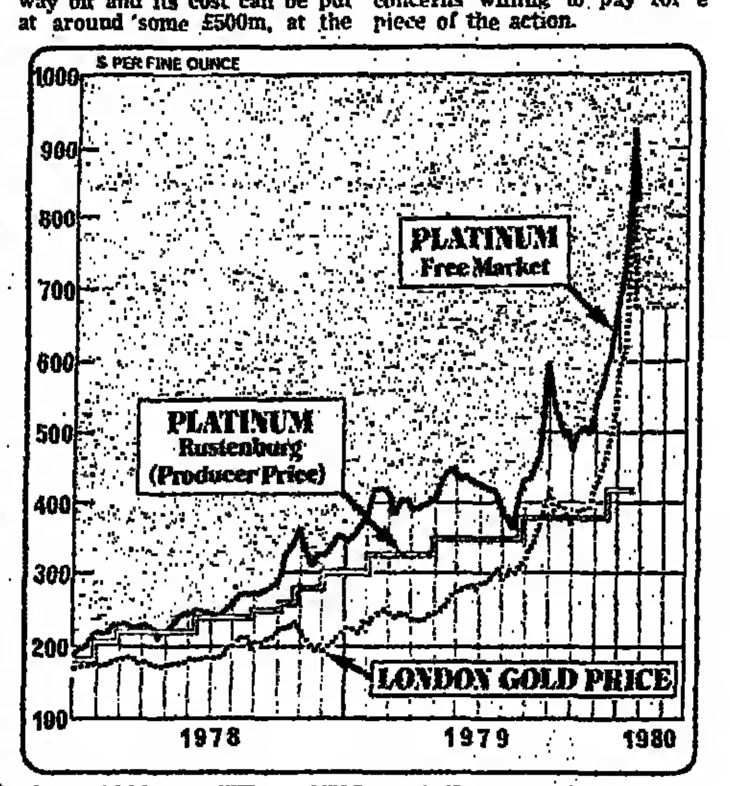
At the moment the high street jewellers are doing a good trade as buyers are snapping up gold items at prices based on metal purchased at much lower levels than now. When this demand is satisfied, it could take some time before the public rushes to buy more gold jewellery at the higher prices that are in store.

There could thus be a significant falling-off in gold demand by the jewellery trade—more items will be made in the lower 9 carat gold content, for instance—and in the long run this could affect the price unless there is to be an even greater speculative demand.

Price resistance is already making its mark on the important market for platinum jewellery in Japan as Sir Albert Robinson, chairman of South Africa's Rustenburg Platinum Mines has pointed out this week.

He is particularly irked by this because while Rustenburg, and Impala, sell the metal at their "fixed" price of $420 per ounce, the Japanese jewellery trade buyers have to pay free market prices of about double the producers' level to obtain their metal supplies after various middle-men have taken their profits.

Sir Albert is still confident about the prospects for platinum and at the relatively low producer price this is not surprising. But having lived through the past price swings in this market he still feels that it is necessary to maintain a "modest" dividend policy despite the expectation of a fresh rise in profits this year.



UNIT TRUST AND INSURANCE OFFERS

YOUR SAVINGS AND INVESTMENTS

Richard Lambert looks at a novel investment trust

Warm glow from the City

AN INGENIOUS scheme to support a worthwhile cause is to be launched on the Stock Exchange next week. It is an authorised investment trust—but of a rather special kind.

All the income which it generates will go to the Institute of Child Health, which is the medical school at the Great Ormond Street Hospital for Sick Children in London. All the capital appreciation (or losses) will accrue to the holders of the ordinary shares, which are to be offered for sale and quoted on the stock exchange.

The Child Health Research Investment Trust, as it is to be called, is backed by some high-class City names who are giving their services for nothing. Stockbrokers Cazenove and Company are arranging the underwriting and listing, Williams and Glyn's is the receiving banker, and Safferys has provided accounting services.

The directors and the investment managers, G. T. Management, whose other quoted investment funds include Berry Trust and G. T. Japan, will not be charging any fee either.

The idea was conceived by Richard Thornton of GT Management, in response to an appeal for funds by the Institute of Child Health. The trustees of the appeal will subscribe for £200,000 of loan notes which will be entitled to receive all the income from the fund. The ordinary share capital will amount to £500,000.

This is a development of the old "split-level" investment trusts—most of which have turned out to be pretty rotten investments in recent years with the capital shares normally standing at a big discount to net asset values.

The new trust, however, will have a relatively short life—it is to be wound up after seven years—which should help to limit the discount in the meantime. It has one very novel feature—once a year, the directors will ask shareholders whether they would like to consider the idea of winding the *whole* thing up straight away.

So if its shares fall to a big discount on net asset value the chances are that it will soon disappear.

Such a proposal would send shudders of horror through the boards of those more conventional investment trusts which currently stand at discounts of 30 per cent and more to their net assets value. It is, of course, a lot easier to make such a gesture when you are not being paid for your services.

The trust will aim to produce an overall gross yield of 5 or 6 per cent a year, which is usefully more than the Institute of Child Health could get by investing £200,000 in the gilt-edged market.

If the managers can make its income grow by 10 per cent a year, then by 1986 it will be pulling in over £60,000 for the charity. And the income could be considerably greater than that if the asset base expands as a result of successful investment.

The structure of the trust has been dictated by tax considerations. The institute has to be seen to be investing on a prudent scale, and not indulging in a commercial activity. At the same time, it would be damaging to the concept if purchasers of the ordinary shares were deemed to be making a gift of income to the charity.

The idea is that investors should experience a warm glow when they buy the shares, but not feel that they are making a Franciscan-type sacrifice.

The trust deserves to succeed. Its managers will not be making any money out of it, but they are well aware that their heads will be on the chopping block if things go badly wrong. Yet it is not something for the really small investor, or for anyone who cannot afford to cherish that nice warm glow.

Apart from anything else, it would take away half the point of the scheme if the trust each year had to go to the trouble and expense of sending reports to thousands of small shareholders.

The income goes to help children.

Calling BP shareholders..

AN IMPORTANT deadline is fast approaching for the thousands of small investors who successfully applied for shares in British Petroleum. For by 3 pm on Wednesday February 6, they will be required to find the 213p per share outstanding balance on the partly paid issue.

November's BP share sale was specially tailored to appeal to the small investor. Altogether 80m shares were offered at a price of 363p each but only 150p had to be paid out at the time of application. The minimum application was a mere 75 shares, while investors had the added incentive of avoiding stamp duty and stockbroker commission.

By Wednesday week, however, they have to decide whether to meet the Government call for the rest of the money or sell their partly-paid shares in the market.

Some investors may already have opted out. There has been a lively market in the partly paid "new" shares which went above 180p early in December but which are now below the partly paid price of 150p having touched 125p before Thursday's close of 137p. Trading in the partly paid market has the advantage and disadvantage of "gearing" — investors do better than ordinary BP shareholders when the price goes up but worse when the price goes down.

On the basis of Thursday's partly paid price of 137p those original subscribers who have stuck with the new issue are sitting on a 9 per cent loss.

This is a direct result of the recent underperformance of BP fully paid ordinary shares against the rest of the market. Thursday's price of 340p compares with a market price on the day of the offer of 364p, while over the same period the FT Actuaries All Share index has moved significantly higher.

INVESTMENT

TIM DICKSON

Feeling about BP in the City is divided with fears of a surplus of oil supplies this year, a weakening of Rotterdam spot prices, and the consequent pressure on refining and marketing margins giving encouragement to the bears.

Among bull points on the other hand BP's North Sea oil reserves are safe from political disruption while the possibility of another Middle East crisis on a three to five year view (if not sooner) is far from remote.

Mr. Paul Clifton of stockbrokers Scott, Goff Hancock, is advising his clients to stay with BP unless their portfolios are particularly top heavy with oil shares. "BP is a good stock for the small investor," he adds.

But do remember to take some action. Letters will not be sent to remind shareholders (advertisements, however, are being placed in newspapers) and the penalties for forgetting to take action could be severe.

If your cheque for the outstanding 213p a share does not arrive at the appropriate receiving bank by February 6, you may be asked to pay interest over the period of the delay at a rate of five points above Minimum Leoding Rate (22 per cent with MLR where it is). Moreover, payment after February 6 could cause administrative problems while letters of acceptance may not be readily accepted in the market.

Going back to the land

IN THAT far-off age of innocence, the 1950s, the good life meant cars, freezers and washing machines. But today, many people believe, it means going back to the land.

Investors have been rediscovering the virtues of owning farmland, for while the yield is low the prospects for capital appreciation over the long-term are good.

Pension funds have been investing steady amounts in farmland, either directly or through exempt pooled funds. The latest report of the Post Office Staff Superannuation Fund, the largest pension fund in the UK, told members that it would like to increase the percentage of funds held in farmland—at present 5 per cent or £40m—because it is investment in one of Britain's most efficient industries and vital to the nation.

Private investors in farmland have a choice of only two funds — the Property Growth Assurance Agricultural Fund and the City of Westminster Assurance Farmland Fund.

The latest Money Management figures show that over the past three years to the end of 1979, an investment of £1,000 would have reached £1.681 on an offer-to-bid basis, while for PGA Agriculture it would have been £1.566.

So agricultural investment seems good over the long-term. The industry is efficient and the supply of farmland is limited. But these are also the conditions that lead to a volatile market.

Severe competition for farms can send prices up rapidly, with the inevitable fallback. Yields are traditionally low, so the return comes from capital growth.

In the early 1970s, prices of prime agricultural land rose rapidly, sparking off investment interest in farmland. The market overheated and prices fell alarmingly during the bear market phase of 1974-75.

But the recovery in prices during 1977 and 1978 was even more dramatic, and agricultural funds topped the property performance tables.

The rise continued until around July and August, 1979, when prices peaked. Then the decline set in and by the year-end prices were back to the level at the start of the year—around £2,300 per acre for vacant possession good farmland against a peak of around £2,600. The Money Management figures show that over 1979, £1,000 invested reached £1,087 for PGA and £1,007 for City of Westminster.

The tenant farmer market, a more restricted sector, has not seen the same rise, or the same fall in price. Hence the difference in performance between PGA and City of Westminster.

PGA concentrates on the tenant farm in its portfolio while City of Westminster buys vacant possession either directly through a sister company or with a farm manager. Both funds concentrate on arable farming primarily in Eastern England.

So the prospects this year for each fund depend on different factors. City of Westminster relies on the movement of vacant possession prices, which Martin Natchasen thinks could start to perk up again during 1980.

PGA, on the other hand, acquires many of its farms through sale and leaseback. It is now well known in the farming sector and the approaches are made direct to fund manager Warwick Thompson.

The fund's performance relies on rent increases, invariably every three years. Last year the rents of 20 farms rose by 46 per cent, but a lower rise of around 33 per cent is anticipated this year.

PGA fund is thus offering investors a more stable price performance and steady growth. City of Westminster will tend to have a more volatile performance and timing will be essential. It is unlikely that prices will pick up to any degree until interest rates come down, possibly in the spring.

Investors should only commit a small part of their assets to these funds. Alternatively they can leave the decision to the life company by investing in a property fund that holds agricultural land in its overall portfolio.

Abbey Life holds about 7 per cent in farmland, but has not made any recent acquisitions.

Eric Short

An object lesson for art investors

"ALTERNATIVE" investments are growing in popularity. Poor returns from equities and bonds in recent years have encouraged people to look elsewhere for investments which might keep pace with inflation.

One problem, however, is how to measure the performance of such assets. Unlike shares, which are traded on a daily basis in highly active markets, alternative investments tend to sit on mantelpieces or lie in cellars for years.

This is particularly so in the case of art objects. This week, the Economist Intelligence Unit has published a special report, *Art as Investment** which attempts to log the movement of prices of works of art over the past 20 years. Taking a sample of some 180 transactions at auctions round the world between 1960 and 1979, the report concludes that about 70 per cent of them produced a better return than industrial shares in Wall Street or London.

These conclusions, on the unit's own admission, must be extremely tentative. After all, the sample, although covering objects as diverse as Chinese ceramics, Victorian silver and Old Master paintings, is really very small.

The costs of buying and selling are not included in the calculations and there is no doubt that auction costs are far greater than those incurred by equity investors.

Moreover, many of the objects in the sample look distinctly pricey to all but the most affluent investor. The more humble end of the scale, where objects change hands for sums below £1,000, is where the bulk of the market operates.

As the report says: "If a recession has a severe impact on earnings this end will be extremely vulnerable, and it can be expected that prices might well crumble."

As Mr. John Butler, author of the report, says: "Private investors should not invest in works of art unless they know exactly what they are buying."

* *Art as Investment: The Economist Intelligence Unit, £30.*

T.D.

An offer you must refuse

HOLDERS OF Treasury 9 per cent 1980, which will be redeemed at par on March 3, are being offered £110 of a new stock Treasury 9 per cent 2000 for every £100 of the old.

They should have no hesitation in turning this down. Conditions in the gilt market are such that the new stock will immediately trade below par, presenting those rash enough to convert with an overnight loss.

The deal, in fact, is such a bad one, that the Bank of England is bending over backwards to make it clear to stockholders that the nominal and cash value of the offer could be very different. The Bank is nonetheless legally obliged to make a formal offer of the conversion.

Stockbrokers W. Greenwell estimate that given current yields on equivalent long dated stocks, Treasury 9 per cent 2000 would be worth around £76 in the market. This means that £110 of the new stock would be worth around £83½, leaving the unfortunate investor some £16½ worse off.

How to beat the queue

TAKE a cut in the interest you would normally receive from a building society investment and in return guarantee yourself a mortgage. This is the option now being offered to savers by the Bradford and Bingley Building Society.

The idea, if not entirely new, should appeal to budding house-buyers frustrated by the lengthening queues for home loans. The scheme, which is called the Homebuilder Account, works as follows:

First the bad news: savers are initially required to invest £500 after which they have to make regular monthly subscriptions between a minimum of £80 and a maximum of £250. The interest paid at the moment will only be 7 per cent net (against 10.5 per cent paid on ordinary share acounts) though this will vary with movements in building society rates generally. Bradford and Bingley, however, promises that the Homebuilder Account will never yield less than two-thirds of the prevailing paid-up share rate.

Now the good news. At the end of two years, the investor is guaranteed a mortgage, equal to four times the Homebuilder balance at the date of the mortgage application. For example, someone who elects to invest the initial £500 plus the minimum £80 per month for two years will be entitled to a mortgage advance of £9,680-£10,528 (depending on interest rates); the prospective house-buyer who puts in £200 a month meanwhile will get a mortgage of £21,200-£22,884 after two years or £30,800-£34,456 if he makes regular savings for three years. Large advances however could run into the Bradford and Bingley's upper advance limit, which is £25,000.

The sacrifice in terms of "lost" interest depends on the amounts which your invest. For example, if building society rates remain constant over the next two years and if you are contributing £80 a month you will receive £106 less interest in the Homebuilder Account than in an ordinary share account; the "loss" would be around £210 if you chip in a regular £200.

Bradford and Bingley emphasises that missed monthly subscriptions cannot be made up and if more than three subscriptions are unpaid the account will be closed. Part withdrawals cannot be effected and if your account is closed the mortgage guarantee obviously lapses.

The £80 minimum monthly subscription might raise a few eyebrows among single investors but married couples who are both working could find this scheme attractive. If house prices maintain their long term upward trend the lower interest paid on the Homebuilder Account should prove a minor sacrifice.

Bradford and Bingley is not the first building society into the field of guaranteed mortgages. The Provincial tried it a few years ago.

The principle, moreover, is well established on the continent. In Germany savers end up with a mortgage at the end of a five-year term.

Bradford and Bingley has also introduced an Extra Interest Account which pays interest 0.75 per cent above the paid up share rate. A month's notice of withdrawals must be made and anyone withdrawing within the first 12 months will lose 28 days interest on the amount withdrawn.

After that, any withdrawal within 12 months of a previous one incurs 14 days loss of interest.

If you close the account before the end of the first year, you would be slightly better off in an ordinary share account.

PROPERTY

The heat is on

BY JUNE FIELD

LAST OCTOBER was International Energy Conservation Month, and in case you missed it, there is still a chance to get one of the free booklets *Make the Most of Your Heating—A Guide to Home Insulation and Central Heating Controls*, because only some 58,000 were sent out of a total 200,000 available. (Apply to the Information Division, Department of Energy, Thames House South, Millbank, London, SW1.)

The special energy pack for schools fared better—all of the 40,000 produced were taken up, and there were over 2,000 entries in the schools competition for the best graphic ideas on energy conservation.

The nation spends some £47m per day on energy, of which around £12m goes into domestic houses, with two-thirds of this spent on heating. So what can the average householder do to save energy in the home, and keep warm? And just how much will be saved, and what will it cost?

Treating the loft is still the most basic and simple starter project. On the homes insulation scheme, which covers the £50-grant for loft, tank and pipe insulation, the Department of the Environment accepted some 400,000 applications from September, 1978, to April last year, although figures have not yet been released on how many were actually paid out. The amount you can claim is two-thirds of the cost of the material and labour, that is, if the outlay was £75 or more, you could get £50.

You are only eligible for the grant if you have no loft insulation at all; which means that if you insulated to the old 1-inch thick standard, you don't get anything towards improving it, surely something which needs looking at. Benefits have recently been extended though in that you qualify whether you are a house owner or rent from a private landlord, the council, a new town or housing association.

The insulation has to be at least 80 mm (3 inches) thick (mineral or glass-fibre mats or loose infilling placed between the ceiling joists), and the money also goes towards lagging pipes and cold and hot water tanks.

The important thing is that you should not start the work before the council has given the OK to go ahead, and that you only use materials on their approved list. For more details contact your local council.

The benefits of double glazing are obviously vastly improved when losses through other openings, floors, walls and ceilings have been dealt with. Depending on what other insulation you have, the temperature of each room could be raised by as much as 5 or 6 degrees claims one company. General advice from the Glass and Glazing Federation, 6 Mount Row, London, W1. (01-629 8334.)

Being able to make the most of every bit of sunshine and the psychological effect of lightness and brightness, all helps too, declares the owner of an oldish family house in Barnes, London, SW13. Here Everest Double Glazing fitted Solaramic patio doors in a south-facing wall in a dark chilly kitchen.

The doors were 239 cms wide by 200 cms high, fitted on a prepared opening, and the cost when ordered in October, 1977, was £479. Today the same doors would probably cost about £600, more if a ventilator was required. Leaflets from Ms. Geraldine Hill, Everest Double Glazing, 239, King's Road, London, SW3 (01-352 6811).

Some builders are now promoting insulation as a strong selling point for their new houses. Trollope and Colls Homes advertise "high insulation" in their £40-£45,000 three-bedroom bungalows in Bromley, in their four-bedroom detached houses from £41,220 in a wooded setting in Sussex, 1½ miles north of Chichester, and in houses from £50,380 in Weybridge, Surrey. (Details Mr. Christopher Price, marketing director, Trollope and Colls Homes, Freepost, Woking, Surrey GU21 1BR). And Wates explain they have reduced the average 60 per cent heat-loss which escapes through uninsulated roofs and walls by using greater insulation, i.e. 100mm (4 inches), of fibreglass in the roof space, fitting draught excluders on external doors, and filling external wall cavities with Dritherm insulation.

Cavity wall insulation is an expanding industry, whether with foam, or mineral fibre, and during energy conservation month the 750,000th house was so treated. This represents an investment by the public of some £120m, and a saving to the country of about £30m-worth of fuel each year, says the National Cavity Insulation Association, while pointing out that there are at least 9m houses with cavity walls yet to be insulated, which could offer a potential saving to the country of around £300m. Ms. Gillian Allder, National Cavity Insulation Association, 178-202, Great Portland Street, London, W1 (01-637 7481), will send a free booklet, *The facts behind Filling Walls with Foam*, plus a list of member firms.

Cape Insulation Services, which belongs to the Structural Insulation Association, gave me a case history. When John Deeley moved to his present home, a new detached house at Oldwinsford near Stourbridge in the West Midlands, some seven years ago, the walls were uninsulated. When he had the walls injected with foam cavity wall insulation the bills for his gas-fired central heating and hot water system dropped dramatically.

Mr. Deeley then extended his home by almost a quarter but, even so, gas consumption for the exceptionally cold winter quarter of 1978 was only eight or nine therms more than for the original house. The cost of installing the foam in the walls of Mr. Deeley's house in 1974 was £162, and he estimates that, in terms of fuel cost savings, the insulation paid for itself in 3.25 years. The same project could cost some £362 or so now. Leaflets from Mr. Leon Covington, marketing manager, Cape Insulation Services, Rosanna House, Bridge Road, Welwyn Garden City, Herts (96 31155).

"Heat conservation improvements make a house a more valuable and saleable property," insists Mr. Ken Brett, manager, services branch, of BP Oil's Heating Division. "In the case of a typical four-bedroomed detached house our survey showed that a saving of £56 on the on the previous year's heating bill of £187 could be achieved, representing a saving of 30 per cent."

The cost of carrying out an insulation programme was £552—which included extra roof insulation, thermostats on all radiators, and filling cavity walls with Rockwool, which consists of minute fissures of mineral wool made from a hard volcanic rock that is pumped dry into the wall cavity (this means water cannot cross the insulation to create damp on the inner wall). The scheme was financed by topping-up the householder's existing mortgage. Terms could also be arranged through the Mercantile Credit Company.

Mr. J. Golliver chairman of Alpine Double Glazing, is the owner of Delamere House, Great Wymondley, near Hitchin, Hertfordshire. The 17th century 4-bedroom, 2-bathroom house, reputed to have been Cardinal Wolsey's hunting lodge, with staff accommodation, 2 period barns and about 3.5 acres including paddock and stabling, is for sale in excess of £180,000, (renovated and double-glazed of course), Details Knight Frank & Rutley, 20 Hanover Street, W.1., and Connells, 19 High Street, Hitchin.

Yonder, Military Road, near Rye, East Sussex, is a 6/8 bedroom, 3 bathroom house with cavity wall insulation and part double-glazing: in 5½ acres including apple orchard and paddock it has views over the Romney Marshes to the sea. Richard Popple, Geering & Colyer, Rye, Sussex (Rye 3155), is inviting offers in the region of £128,500.

Great Oaks, in 1½-acres overlooking the Boldre Valley in the New Forest, is a 2-bedroom single-storey house with double-glazed windows. Paul Jackson, Jackson & Jackson, The House on the Quay, Lymington, Hampshire (0590 75025) is asking for offers around £79,500.

Hard as nails in winter

GARDENING

ARTHUR HELLYER

WHILE THE WINTER remains as alternately cold and wet as it has been recently I am grateful for all those plants that never give me any cause for anxiety. There are the golden rods, for example, varieties of solidago which are as hard as nails and suffer not one whit from anything the weather can throw at them. Sometimes I hold their indestructibility against them for they spread too rapidly and it is impossible to get rid of them, least of all Golden Wings one of the oldest and most imposing of them all, without bringing out the mattock and then consigning the roots to the bonfire. But at the moment I am pleased that they are there and I do not need to worry whether they have been adequately protected or given a sufficiently sheltered position.

Almost all the achilleas have this same quality of toughness, though not the most decorative of them all, *Achillea clypeolata* with finely divided leaves so covered in such short, closely packed down that they appear silvered, which is delightful but fatal since they absorb all the moisture going and then freeze to death. The same applies in slightly reduced degree to its less silvery garden hybrids *A. taygetea* and *A. Moonshine*. For complete hardiness it is the coloured forms of our native yarrow, *A. millefolium*, such as Cerise Queen still unsurpassed after fifty years or more, that are required and also *A. filipendula* with flat heads of yellow flowers (one splendid form is actually called Gold Plate) and the double flowered varieties of *Aptarmica* the single type of which grows wild in some parts of England. The Pearl and Perry's White, both very old varieties, are still the best both pure white and formerly great favourites as cut flowers but now almost forgotten.

I have never known herbaceous phloxes to be destroyed by anything except eelworms and for some reason even these no longer seem to give so much trouble as they did 40 or 50 years ago. Perhaps the eelworm population has changed or maybe breeders have learned the trick of producing varieties that are obnoxious to these, nearly microscopic but highly damaging soil pests. I do not know, though I am certain that resistance to eelworms is possible for soon after the war I was given such a phlox by a friend and it has continued to grow and multiply with me ever since with no sign of infestation. It is quite an attractive pink and I think was raised by my friend in his garden and only distributed by him within his own circle without ever being dignified with a name of its own.

There are plenty of bone hardy plants among the hellebores, the Christmas and Lenten roses and their numerous allies, as well as some that are distinctly tender so if it is toughness one is after, one must choose with discrimination. There need be no doubts about Helleborus viridis for it is a truly native plant which had already learned to live with our winters long before man arrived on the scene. It is also true of *H. foetidus* for even if it is not truly native (and most botanists now seem to think that it probably is) it has certainly been growing here since Roman times, often looking after itself with no help from gardeners. It is flowering at the moment in my garden its apple green flowers showing up well against the dark bottle-green leaves. *H. viridis* lacks this fine colour contrast but has very good light green foliage and so has *H. corsicus* the tallest kind though, as might be expected from its Mediterranean origin, it is not quite as tough and can become bedraggled if exposed to too much cold wind and beating rain.

Not so the true Lenten roses, the varieties and hybrids of *Helleborus orientalis*, for these grow wild quite high on the Caucasian mountains, always sheltered by woodland but surviving winters far more severe than anything we experience in Britain. All forms are magnificent in foliage and flower and they have a wide, though always subdued, colour range from white, usually speckled or flushed with purple through all manner of shades of pigeon pink and greenish pink to the intense plum purple of atrorubens.

Perennial sunflowers go all the way from indestructible weeds to quite faddy beauties. To the first class I unhesitatingly consign *Helianthus rigidus*, now said to be correctly known as *H. scaberrimus*, and all those garden varieties or hybrids connected with it since they all spread inexorably by underground stolons which penetrate everywhere and can only be dislodged with the greatest difficulty. Yet Miss Mellish, the most attractive in flower, is undoubtedly a handsome plant for which friends ask from time to time so I give them roots with warnings that I am doing them no real service.

It is quite otherwise with some of the double or semi-double flowered sunflowers that we used to class as varieties of *Helianthus multiflorus* though they are probably really hybrids of undisclosed parentage. Typical of these are Loddon Gold and Cappenoch Star both of which make a fine display and present no problems of any kind. I cannot say the same of the most magnificent sunflower of them all, *H. atrorubens*, probably more familiar to the older generation of gardeners as *H. sparsifolius* or *H. Monarch*. This can grow to six or seven feet and has very large flowers with long, deep yellow petals arranged around a button-like black centre. In warm places it will spread by underground stolon almost as freely as H. Miss Mellish but in most British gardens it simply packs up and dies the first winter unless given the protection of a frame.

There is a similar ambiguity about the Shasta daisies, the big white moon daisies of high summer, though with these it is the double flowered forms that seem to have lost some of their native Pyrennean hardines and the old fashioned and now despised singles that have retained it. Familiarity certainly plays a large part in determining our estimation of flowers. I have just received a letter from a South African friend who returned to Johannesburg with roots of plain single Shasta daisies culled from my garden and now writes to say how beautiful they are with watsonias in her own garden. I have always retained my liking for them, actually preferring them to the more popular frilly petalled singles, which are quite hardy, and to the doubles and semi-doubles many of which clearly dislike the alternations of cold and wet so characteristic of British winters.

Among bulbs the bravest are the snowdrops already emerging and ready to make a wonderful show during the next few weeks. However, not all are equally reliable, certainly not those that grow wild in the islands of the Aegean Sea and need sun and warmth. For hardiness it is our own native *Galanthus nivalis* that should be chosen in all its many variants, double flowered as well as single. The Caucasian species are also reliable even in our most unpleasant winters

BOOKS

Art man's life enigma

BY C. P. SNOW

Being Bernard Berenson by Meryle Secrest. Weidenfeld and Nicolson. £8.50, 474 pages

Being Bernard Berenson is a fascinating biography, something of an investigation in the spirit of A. J. A. Symons's *Quest for Corvo*. It is written with scrupulous care and great charity. Wherever she can, Miss Secrest gives her subject the benefit of the doubt. Some observers—not to speak of his enemies, of whom he had plenty—would think that he had need of it.

Actually Miss Secrest's honest and in places clinical treatment will leave most readers with a good deal of sympathy for Berenson. He wasn't a good man, though often he longed to be. He was self-bound beyond any normal human limits. He was greatly gifted, but not enough so for his own expectations. He had a driving will. He made his own terms as to how to live his life, certainly his practical material life, at which he was astonishingly successful. The problem about him is not what he was like, where there was no insoluble mystery and where Miss Meryle Secrest has produced an entirely coherent personality. The problem is elsewhere, and much more concrete. It is, in certain crude aspects, about what he did.

He was a Lithuanian Jew, born in a *shtetl*. When he was a child, his father and a nephew Lewis emigrated to America as an advance party, and sent for the rest of the family two years later. The young Berenson was then aged ten. Like so many Jewish immigrants, his father started in America as a peddler. He never made much progress afterwards, though America in the eighteen-seventies and eighteen-eighties was the easiest place in which to become prosperous that the world will ever see. His nephew Lewis, for instance, made a fortune in property deals in Boston within a few years, still a very young man.

Berenson's mother was strong-willed and effective, the model of a Jewish mamma. Bernard Berenson was the first-born son, from the beginning the idol of the family. He was brilliantly clever, charming to look at (though diminutive, as most of the family were), indeed a prodigy. Somehow he got to the Boston Latin school and to Harvard. The family were abjectly poor, but money was always found from somewhere for Bernard's needs, and that went on till he was nearly thirty.

His mother was a religious Jew. Young Bernard didn't like being a Jew, and firmly obliterated his origins. He became an Episcopalian in his 'teens, and later a Catholic. His Harvard acquaintances never saw his family home. He was prepared to admit that he was a Lithuanian, and, though it seems incredible, well-to-do Americans like Isabelle Gardner, his first important patron, seem not to have realised that he was Jewish.

At Harvard, he soon attracted influential and well-connected attention. He was dazzling bright, prepossessing, eager to make his way. He did make his way among Cambridge society. It was a very long way (geographically only a few miles) from the humble Berenson dwelling to the mansion of Isabelle Gardner, who immediately took him up. She collected beautiful objects, including elegant young men. At that time she hadn't begun buying pictures on a large scale.

There were a few dissenting voices about the young Berenson among the Harvard eminences. Charles Eliot Norton decided that he had more ambition than ability. That was wrong. Berenson had ambition to an inordinate extent. He wanted to be every kind of a great man, a supreme poet, a splendid gentleman, a philosopher, anything he could imagine. At quite an early age, he had the modest aim of becoming the second Goethe.

Never mind. He had great ability. The difficulty was, he hadn't the kind of specific ability which made it clear what he ought to do. He wasn't, in the ordinary sense, creative. His poetry seems to have been pretty bad. The one gift about which he was totally sure was that he was better than anyone else in his perception about paintings.

He could immerse himself in a picture, identify himself with it, for once forget about self. Typically, he thought that if others had mystical experience, why shouldn't he? This was his way of getting it. But the gift was genuine. After graduating at Harvard (Miss Secrest makes a slip here, he must have done better than a bare cum laude), he was supported for a year or two by Mrs. Gardner and others to travel in Italy, ostensibly to study Renaissance history, in reality to look at pictures. Scholarship about painting was still in an amateur state — among Renaissance pictures, there was still no sort of certainty about who painted what.

Berenson at 25 had no doubt that he could clear up those problems. Partly owing to inspection of physiognomic details, but mainly because of his wonderful eye, he did so.

For the rest of his life he became a supreme authority on attributions. Give him a picture, and he would give you an expert label. At 30 he was recognised — in the midst of arguments, quarrels, protests about his arrogance — as a masterly connoisseur.

He was still very poor. In these first connoisseur trips in Italy he was living on scraps and a Pater-like pursuit of the beautiful.

Then he suddenly ceased to be poor. This is where his career forked and where the dubieties begin. Mrs. Gardner, with whom he had quarrelled and then become reconciled, had decided to form a great art collection. This protégé of hers had made his name as an expert. Who better to buy the pictures for her? Who better, to be agreed. He was to get 5 per cent commission on any purchase he made. He duly provided her with a fine collection which is still there to see. But he also became richer than the terms of the deal can comfortably explain. Pictures, even great pictures, were sold for only a small fraction of contemporary prices. Meryle Secrest doesn't provide anything like a balance-sheet. But there is no doubt that Mrs. Gardner's husband, and later Mrs. Gardner herself, came to believe that Berenson was cheating her.

He was voracious for money. He had a dream, the residue of his youthful ambitions, of becoming a gentleman-scholar. His concept of a gentleman-scholar was fairly flamboyant. It didn't consist of plain-living and high-thinking, as lived by such as G. M. Trevelyan. He wanted a splendid house in Tuscany, troops of servants, pictures, *objets d'art*, the celebrities of the world as his guests. He also wanted, to his credit, to support the family in the Boston back-streets. He might have disowned his origins, but he was a dutiful son and brother. He did all those things in his late 30s. How it was done, is a problem left unsolved.

He wanted still more money. I Tatti, the fine house outside Florence, was expensive to keep up, or at least to keep up in the style he thought necessary for his status. It was then, in his 40s, that he became the adviser on attributions to Joseph Duveen. It is fair to say that Duveen was not the most scrupulous of dealers. There were now immensely rich collectors in America who were prepared to pay enormous sums for pictures. These collectors were not aesthetes, but tycoons who weren't fools about expert authority. They needed to have their pictures sworn to by the greatest living authority. Berenson would meet the case.

Berenson received 25 per cent of the sale price of any picture of Duveen's for which he had given an attribution. The delicate question arises — it darkened Berenson's name for many years and is still argued about — did Berenson find it possible to give more favourable attributions than, in his unattached student days, he would once have done? Did he find that his verdict could now change from, say, School of Titian (neither rare nor expensive) to Georgione (very rare and vastly expensive).

In fact, he did change many of his early attributions, and almost always in the upward direction. Was this done without thought of the consequences? People who knew Berenson, and are themselves experts in the visual arts, have radically disagreed. John Pope Hennessy is sure that he acted in good faith. Kenneth Clark is caustic in the opposite sense.

It isn't for an outsider to express an opinion, maybe, but I have one. In the fulfilment of his desires, Berenson possessed more deliberation, and a more ruthless will, than is given to most men. No one in the world could have known better what the value of his attributions were. It is possible that he consoled himself that opinions mellow with age and that he could now show less austerity and more charity. But it is possible that the thought might have occurred to him that the chief beneficiary from this mellowing was himself.

Bernard Berenson, subject of a new biography reviewed here, on a triumphal tour through Leptis Magna.

Fiction

Pecula's peculations

BY ISABEL QUIGLY

The Bluest Eye by Toni Morrison. Chatto and Windus. £4.95, 164 pages

Devotion by Botho Strauss, translated from the German by Sophie Wilkins. Chatto and Windus. £5.50, 120 pages

The Living End by Stanley Elkin. Jonathan Cape. £4.95, 146 pages

Three splendid stylists: but "style" is a thin word for something that embodies the writer's very being. One of its attributes is surely the ability to conjure, however obliquely, his presence and the colour of his mind; and this is exactly what the styles of two Americans and a German with an (excellent) American translator all do. In their three novels one meets three wholly individual minds and outlooks, three moral arbiters choosing particular fables and forms to make their points.

The Bluest Eye is the most straightforward, a realistic (yet intensely poetic) narrative, by the author of *Song of Solomon*. It was published 10 years ago in America, the first novel by a black woman writer of such blazingly obvious talent that it's hard to see why it has taken so long to reach us.

It is about being black in America 40 years ago, the blue eyes of the title being those enviable eyes belonging to white children, coveted by black ones. We are given piercing insights into black suffering, but without being told about it so much as being shown its results: the results of envy and wistfulness and waste, of the sense of loss without ever having much to lose, of the hopelessness of wanting what in the nature of things can never be had (the blue eyes and white skin and all that goes with them), the unfairness of man-made arrangements.

That Pecula is ugly isn't enough. She is indescribably scruffy and dirty as well. That her mother doesn't care for the family isn't enough. She is the prop and "treasure" of a white family whose babies she adores, whose expensive tastes she cares for. That Pecula's baby dies isn't enough. Its father is her father, and she is shamed into permanent madness. And so on. A boy kills his mother's cat and blames Pecula. Who else would kill a cat but Pecula, with her pinned-up hems and heel-trodden socks?

There is a beauty and a freedom about the writing that mismatches—or counterpoints—its action in a strange, jangling way. As with a poem, you can weigh its phrases, listen to their echoes. In the small doings of children, and in their view of a small-scale world, it is the story of a race and a way of life. What has happened (it implies) to make a child be born into such a life? Far more than shriller books about racial inequality and hard times, this one made me feel for the blacks in America; and the stylish wit of one in particular.

Devotion has little straight narrative. A short, intricate work, it has a man deserted by the girl he loves addressing short pieces of writing to her. Finally he puts them together in a briefcase, takes them to her and awaits her reaction. Nothing happens. She has lost (or dumped) the briefcase. And the moral of that is? Perhaps that life, like art, is cyclical and mysterious, that things (feelings, passions, regrets) go round and round but the central figure, the artist, stays put and his world outlives the feeling that prompted it. Perhaps merely that things may go this way or that, objectively regarded, but subjectively may be quite otherwise.

When Hannah telephones (on a supposedly disconnected line) and finds her other ex-lover in the flat, what has happened? Does she know both men are there? Has she paid the telephone bill, to make sure the line has been reconnected? Why is she satisfied with talking to the visitor, when in fact she has telephoned the writer? Or is it all one of those extraordinary coincidences without which ordinary life is impossible to credit (i.e. oddity is a normal part of normality)?

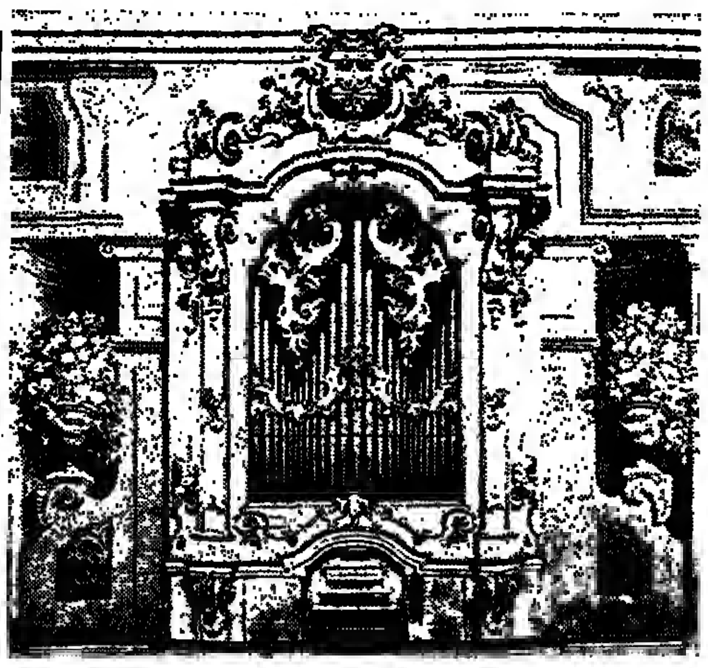
Obliquely, all kinds of obvious but seldom-asked questions are dealt with in the present and the past, in memory and instant feeling, in all kinds of tenses and conditions. In a very short space, the technique is impressionistic, the feeling one of dapple, light and shade, overwhelming darkness and a sense of brilliance. This is a first novel and seems bursting with future hope.

The Living End is a fable using the Christian iconography of the after-life: heaven and hell, angels and devils, God and His Son Jesus, Mary and Joseph, St. Peter at the pearly gates; and it is so well-written, so witty and crackly, that the difficulty of seeing what its point is—or points are, for there seem to be many—and the suspicion that possibly there's less substance than accidental glitter, are shrouded in admiration for its panache and the variety of its moods. And it has a nimble way not just with moods but with attitudes. Pity and terror are aroused (all too painfully, I found) in the scenes set in hell. Physical pain on earth has in the nature of things an end: in unconsciousness, pain-killers, and last of all in death.

This book envisages an eternity of physical pain so vividly that one suffers with the sufferers, not in fits and starts as on earth, but in everlasting terms, without unconsciousness or pain-killers or death.

There are other performances and performers, high comedy involving aspects of American life (hold-ups and violence, insurance, hospitals, domesticity) which are later transferred, in much the same idiom, to heaven and hell.

Of the three stylists, Stanley Elkin has the most noticeable technique; yet he too has put himself on the page, jokey and recognisable and apologetic for his jokes and for his seriousness, a wry engaging figure performing quite remarkably.



Organ built about 1720 of the Cappella del Rosario, San Domenico, Bologna—from Michael I. Wilson's comprehensive illustrated book, "Organ Cases of Western Europe" (Hurst, £29.50).

Public servant

BY K. NATWAR-SINGH

Private Work and Public Causes: A Personal Record 1881-1978 by Sir George Schuster. Cowbridge, D. Brown and Sons £7.50, 184 pages

Longevity, combined with good works, bestows a very special kind of distinction. Sir George Schuster is now in his 99th year. He was born within a week of Disraeli's death. He is still active, still curious, still interested. Throughout his life he has batted with a straight bat, winning the confidence and respect of all, including those who did not share his outlook and views—Jawaharlal Nehru's letter to him from Dehra Dun Jail in 1941 is a fine example of private decencies, being transmitted to public affairs.

After a conventional school and university education in late Victorian England, Sir George was called to the Bar and then to the City. His German name was no help and in 1914 he had to abandon a promising political career. He served with the Oxfordshire Yeomanry in the war and in 1919 he found himself at Murmansk trying to help the white Russians with whom he soon grew disillusioned. From late 1919 to 1922 he worked with the finance committee of the League of Nations and flirted with the Labour Party and got to know and like Ramsay MacDonald.

The next 12 years he spent in Africa (Sudan) and India. Coming as I do from India and living as I now do in Africa, I found his African and Indian chapters fascinating and instructive. As a member of the Hilton Young Commission (1928), Sir George spent several months in Uganda, Kenya, Tanganyika, Nyasaland, Northern and Southern Rhodesia. His outlook on colonial matters half a century ago was refreshingly broadminded. He successfully resisted Leo Amery's plan to create a white dominion in East Africa.

Sir George was from 1928 to 1934 Finance Member of the Viceroy's Executive Council at Simla and New Delhi—in other words, Chancellor of the Exchequer. His duel with Whitehall when England went off the gold standard and did so without informing Delhi throws interesting light on the contradictions inherent in a colonial system. The Viceroy, Lord Willingdon, backed him. Only a direct appeal from the British Cabinet stopped Schuster and the entire Executive Council from resigning. He got on well with the Nehrus—father and son—and had friendly contacts with Mahatma Gandhi. But Sir George's most durable monument is the Reserve Bank of India which he helped establish in 1934.

His book has an old-world integrity and no-nonsense flavour about it and while it is not literature, parts of it are a valuable contribution to the history of the Raj.

Hollywood diva

BY NIGEL ANDREWS

The Divine Garbo by Frederick Sands and Sven Broman. Sidgwick and Jackson. £7.95, 243 pages

"It was just a chance meeting," warbles the would-be-beguiling blurb on the dustjacket, "at the home of a mutual friend in Klosters, Switzerland, teatime of a summer afternoon in 1977."

Does it beguile you? It shouldn't, because that sentence is just one example of this book's miraculous ability to dress up journalistic mutton as *belles-lettres* lamb. The latest collectable tribute to the glory that was Garbo is the fruit of so much conspiratorial endeavour on the part of its chief writer Frederick Sands that "chance meeting" is a misnomer of Malapropistic proportions.

Sands devotes his introduction to an exhaustive account of bow be set up the meeting with the Hollywood diva, first nagging the mutual friend (Salka Viertel) to invite him to her house at an hour synchronous with La Garbo, then later—after friendship was struck—commissioning an intrepid photographer (Eckhard Nitsche) to lie in wait for a snap of Garbo and him as they walked around Lake Davos.

Mr. Sands intimates that this Swiss encounter was the prelude to an ongoing friendship, but is the book a mine of new confidences from the husky-voiced goddess? Did Mr. Sands plumb anew the secret of Garbo's withdrawn charisma, of her early abdication from celluloid, of her "vish to be alone"?

No. What we have here, beautifully bound in claret and sprinkled with shots of Garbo at work and at play, is a reprise of most of the standard biographical titbits we've devoured before: the *soi-disant* romances (with John Gilbert, Leopold Stokowski, Cecil Beaton *et al*), Mamoulian's immortal instruction to her to "think of nothing" for her last wind-blown, sea-going shot in *Queen Christina*, and the dramatically abrupt retirement announcement that followed the box-office mishap of *Two-Faced Woman*.

Co-writer Sven Broman is credited with having provided "much new source material" on Garbo's early years. But the whereabouts of these novel revelations eluded me, and the book only begins to get interesting when it documents Garbo's autumnal years in New York retirement. Even this is fragile hearsay, illustrated with caught-on-the-wing photographs of Garbo clearly not wanting to be photographed.

The book is written unenthrallingly when it's regurgitating the star's hand-me-down legends and unappetisingly when it is describing Sands's confrontation and first-hand encounter. The last chapter, risibly, is called "Close-Up." But it's less a close-up of Garbo, who reveals virtually nothing to this account of her supposed *tête-à-tête* in Switzerland with Mr. Sands, than of Mr. Sands himself.

Welsh wizard Dee

BY GEORGE MALCOLM THOMSON

The Occult Philosophy in the Elizabethan Age by Frances A. Yates. Routledge and Kegan Paul, £7.75, 217 pages

In the days of Good Queen Bess, which one might have thought was their golden age, the good magicians (i.e., those who worked their wonders by the aid of angels and not demons) did not have an easy time. At the drop of a hat, they were liable to be denounced as black (bad) magicians. This was a serious offence which might tend to the guilty man being burnt at the stake or having his precious books destroyed by a howling mob, as happened to Master John Dee.

It came all the more hardly to Dee because he had been at the top of his profession, moving in the very highest circles, as Frances A. Yates recalls. But there it is! One who dabbled in the arts, white or black, might at any moment be called a wizard, a trafficker with demons, an enemy of God and His Church.

There was the danger, too, that he might be called a fraud by those who thought that the whole business of magic, white or black, was a load of old rubbish. But these daring spirits were in a discredited minority. Most respectable opinion, beginning with the Queen's heir, James of Scotland, were on the side of magic, that is to say, they believed in it and were against it!

In her study of this strange phase, Frances Yates tells how the idea that there was a secret meaning in Mosaic Law entered Christian thought through Pico della Mirandola, the founder of Christian Cabala. An occult philosophy grew up, looked upon with reasonable suspicion by the Church; and finally condemned. But in the interval, it had won important converts and acquired widespread influence. There are traces of it, according to Dr. Yates, in Shakespeare, Marlowe and Chapman. But its most important exponent in Elizabethan England was John Dee.

This Welsh mage was husy in the uneasy region between mathematics (in which he was brilliant), astrology (in which he was frequently consulted by the Queen; for example about the most favourable day for her Coronation), and fortune-telling. Apart from that, he was a prophet of British sea-power and the inventor of the term "British Empire." Through a fellow-Welshman, Richard Hakluyt, his imperialist propaganda reached the City of London.

Dee's conviction was that gold, silver and spices were produced by the heat of the sun and should be sought in the south. Above all, in an undiscovered country which he called Terra Australis Incognito, most conveniently reached by a voyage west-about round North America. Gold was waiting to be picked up there by the fortunate voyager who reached its shores. This was the news which excited Drake when he saw the wizard at Mortlake one day before setting out on his great voyage of circumnavigation.

After that, Dee, in company with a medium named Edward Kelly, went on a trip to Prague which was then, under a magic-loving Emperor, the magnet of every charlatan in Europe. It was while he was absent abroad that an indignant crowd attacked his library.

However, Lord Burghley, a cautious man, believed that Dee, while in Prague, had turned dross into gold and, in the Armada year, when the Treasury was even more short of cash than usual, begged him to come home and help his country.

Poor Dee died in 1608 in poverty. James I had come to the throne with his prejudice against sorcery, but even before that, Dee was out of favour although what exactly he had done or failed to do is unknown.

Francis Yates, a profound student of the occultist movement, shows in this most interesting book how widespread was its influence, how verious were the lives it touched and how it can be seen at work in Spenser's *Faerie Queene*, Shakespeare's *The Merchant of Venice* and other places.

Crimes from Oxford to Los Angeles

BY WILLIAM WEAVER

The Median Line by William Haggard. Cassell. £4.95, 167 pages

Though Colonel Charles Russell retired from the Security Executive some years ago, he has been intensely active in retirement, as Mr. Haggard's loyal readers are well aware. This time he goes abroad, to an unnamed Island (which sounds a bit like Malta), where he is promptly co-opted into saving a tricky, explosive international situation. The Colonel has lost none of his skill and none of his aplomb. All is done neatly. In addition to the Island, the author successfully invents two other nations, complete with political problems. A convincing performance.

No Villain Need Be by Anne Blaisdell. Gollancz. £3.95, 182 pages

Police Operational, with the over-exposed Los Angeles Police Department on stage again. The book follows the now too-familiar formula: cops' private lives on the one hand (the Maddoxes are housebunting) and various series of crimes (sex fiend, furniture robberies, liquor store hold-ups) on the other. The usual shrill objections to soft-hearted magistrates and lenient parole systems; the usual good citizens being ruined by taxes, but too proud to accept welfare handouts. The usual neat solutions. The novel reads as if it had been written on Automatic Pilot.

Service of all the Dead by Colin Dexter. Macmillan. £4.95, 256 pages

Crimes — a whole series of them — right in the heart of Oxford. The focus of all this evil, in fact, is the Church of St. Frideswide, a stone's throw from the Martyrs' Memorial. Detective Chief Inspector Morse (who has appeared in Dexter's previous novels) is not really assigned to the case, but he starts poking around in the files, and soon becomes hooked. Watch out for the numerous red herrings. Actually, the solution is less important than the enjoyable characterisation, the apt dialogue, the general humour of the narration.

One Foot in the Grave by Peter Dickinson. Hodder and Stoughton. £4.95, 192 pages

Peter Dickinson is one of our most unpredictable as well as one of our most gifted crime-writers. In each novel he sets his brilliant imagination a new task. Sometimes a story takes place in the future, sometimes in a completely invented country. This time he has made things particularly difficult for himself by telling his tale through the mind of Detective Superintendent Jimmy Pibble, a mind clouded by disease and age, so that signals, information, events reach it as through a fog. This donnée makes narration elliptical, and at times the reader is over-taxed. The atmosphere of Flycatchers, an extremely expensive geriatrics sanatorium, is splendidly caught; several of the rich old folks are enjoyably eccentric; but the story is not as totally successful as Mr. Dickinson's best.

MOTORING

Audi's five-cylinder, 2.1 litre 200 Turbo has a top speed of 125 mph, thrusting acceleration and will better 22mpg in average use. Do big cars need big engines any more?

Pulling less weight around

BY STUART MARSHALL

AS OIL PRICES mount, even the prosperous German businessman, thundering along the de-restricted autobahn in his big car, is beginning to worry about petrol consumption. Sales of over 2½-litre cars like the Opel Senator and Ford Grenada 2.8 are dropping off. And Audi, who have got into the luxury market for the first time with their new 200 Turbo model, give its fuel economy top billing and mention its 125 mph-plus maximum almost as an afterthought.

Audi say their five-cylinder 200 Turbo (and to a lesser extent the fuel injected but supercharged 200 5E) will compete directly with such prestigious German products as the BMW and Mercedes Sixes and with our own Jaguar. They point out that the 200 Turbo is only just over one hundredweight heavier than the Audi 100 from which it has been developed. At a little under 25 cwt. it is 900 lbs lighter than a Mercedes 280SE and more than half-a-ton lighter than a Jaguar XJ 4.2.

The less weight a car has to haul around, the less fuel it will burn. At motorway cruising speeds, low wind resistance helps, too, and Audi claims that the 200's drag co-efficient is the lowest in its class. All of which adds up to fuel consumption figures that, for a large five-seat saloon capable of 125 mph and more and which goes from 0-60 mph in less than nine seconds, are impressively low.

In town the 200 Turbo (manual) does 18 mpg, the automatic 18.3 mpg. At a constant 56 mph the figures are 31.7 mpg (28.2 mpg) and at a steady 75 mph, 23.9 mpg (21.9 mpg). More realistically, a Turbo used half of the time in town, half on the open road should return between 22 and 23 mpg—provided the driver doesn't over-indulge himself. During a brief test drive on the Continent last week I found it tempting to exploit the Turbo's exciting performance.

The turbocharger really starts to work from 2,750 rpm onwards. At anything over 45 mph in third or 55 in fourth gear, the Audi leaped forward as though its 2.1 litre five-cylinder engine had turned into 3½ litre V8. In fifth, the flow of extra power was less dramatic but arguably more useful. A slight depression of the toe just dusted off lines of traffic and flattened hills. A turbo-charged car really can provide performance and economy benefits if its higher torque (pulling power for a given speed) is used, not its capacity to rev. in the gears.

Audi remind the heavy footed that this is so by fitting an ignition cut out that operates at around 6,300 rpm. A sensible driver will never know it is there.

When the 200 Turbo comes to Britain in April it will cost at least £13,000, with a choice of manual or automatic transmission though Audi reckon that 90 per cent of buyers will have automatics. They expect to sell between 800 and 1,000 of them in 1980.

Externally, the main difference between the 200 and 100 lies in the larger diameter light alloy wheels with ultra-low profile tyres, the full width aerodynamic spoiler, plastic shock-absorbing bumpers and twin headlamps with wash/wipe.

The ultra-low profile tyres make the power steering feel almost nervously responsive and provide more road-holding and cornering capacity than it would be wise to exploit on public roads. Over rough cobblestones they felt a little knobbly but the Audi's ride is firmly comfortable and its highspeed stability most reassuring. It is a quiet car. At 70 mph there is hardly more than a murmur of engine, road and wind noise and the radio is still usable at 120 mph.

Inside, the impression is of lightness and all-round visibility. The check velour seats are big and plump, with seemingly unlimited space in front and room for a third person in the back without squashing.

Audi have no plans to bring the unsupercharged 200 5E into Britain at present. It differs in character from the 200 Turbo. Having less power (136 bhp at 5,700 rpm against the Turbo's 170 bhp at 5,300 rpm) and a higher, overdrive fifth gear, it feels considerably less urgent at first acquaintance.

But its average fuel consumption should be nearer 25-26 mpg than the Turbo's 22-23 mpg and a 116 mph maximum and 0-62 mph acceleration in 10.8 seconds are more than enough for most of us. I found it blissfully long-legged, showing only 3,500 rpm at 100 mph, just like the Rover 3500 V8.

I think the 200 5E must come to Britain in 1981 and a turbo-diesel 200 won't be far behind.

At the turn of the year I wrote that by the end of this decade, a 2-litre car will be considered to have quite a large engine. With the 200, Audi have already shown that, given good design, a relative lack of litres doesn't have to be equated with meagre performance, mechanical fussiness or the fuel thirst that can come from an overworked small engine.

The call of the Alps

TRAVEL

SYLVIE NICKELS

SOME YEARS ago, while staying in the little resort of Lanslebourg in the French Savoy Alps, I made the happy discovery that guided walks were available in the company of wardens from the nearby National Park. A list of departure times and destinations was displayed at the local tourist office and, one early morning, I duly reported, along with a score of other visitors, for a full day trek. It was a bit strenuous for untrained muscles straight from the Home Counties (I had rather ambitiously aimed at a Col of about 10,000 feet), but I learned more about the area that day than I would in a week of lone wanderings. We saw chamois and ibex, and wild flowers in explosive profusion, and we came away with memories of exalting scenery made all the more indelible by the subsequently stiff muscles that had propelled us up, far above the valley floor.

Such guided walks, either free or for a nominal charge, are to be found in other national and regional parks of the Alpine countries, and are an excellent solution for those who prefer to remain uncommitted to a daily programme of exercise. For more solitary excursions, any mountain resort provides well-marked paths of varying lengths.

The programme of Ramblers is an obvious one for consideration by walking enthusiasts. Their holidays are graded from the fairly gentle to the strenuous, previous experience being recommended, and sometimes essential, for the latter. There is, of course, a big difference in the energy expenditure needed between a hotel-based holiday with daily rambles and a high level tour staying in mountain huts or inns with dormitory accommodation. In the first case, high season prices for two weeks with full board are around £240-£300, according to centre.

Ramblers' tours are available in all the Alpine countries, and include several with a botanical emphasis. Bird watching in an Austrian Alpine setting is featured by Ornitholidays.

Not all the more unusual arrangements are marketed through a UK agent, and it is worth making inquiries through the London offices of national tourist organisations. A Swiss company in Lausanne, for example, offers some delightful-sounding one-week mule treks high above the Rhone Valley.

With full board in tourist hotels, hire of mules, services of guides, and insurance, the cost ex-Sion in 1979 was from SwFr 695, with departures from mid-May to mid-October. Various mountain walking courses are also available locally, and many resorts compile several-day packages that might well be of interest to independent travellers.

If your main requirement is to be among mountains in undemanding admiration, the choice is wide, especially from operators specialising in particular countries. French Travel Service, which is part of French Railways, feature holidays by rail (with meals en route) or car to the French Alps, their packages often including one substantial local excursion or more. The gorgeous old town of Annecy and the Alpine market town of Mégève are among their 1980 centres.

Swiss Travel Service, which has been arranging holidays in that country for the past 30 years, has a particularly wide variation in degrees of packaging. For example, its "à la carte" programme includes fly-drive and fly-rail. The first covers return air fare and car rental with unlimited mileage; the second, return air fare and unlimited rail travel (also on some private railways and lake steamers). Both schemes additionally provide UK return rail fare to London, Birmingham or Manchester (all three airports are used) and hotel vouchers (b. and b.) for any or all of 93 good hotels in 73 resorts, giving maximum flexibility.

The 15-day cost for fly-drive (for each of four) is from £379 via London, and for fly-rail from £369. In addition, there are a lot of one- and two-centre packages, mostly on a half- or full-board basis, usually including the Swiss Holiday Ticket which gives 50 per cent reductions on the Swiss transport network.

CIT is a specialist for Italy, with a choice of standards and prices in the distinctive Dolomites. Also in Italy, Cosmos suggests a two-centre combination of a week in Livigno, in the Alps, with a week by Lake Como, for a high season price of about £200 ex-Luton with full board.

Thomson, in addition to more expensive arrangements, includes Austria in its "Small and Friendly" programme in which accommodation is in chalets and farmhouses, with b. and b., but also half- and full-board available. B. and b. farmhouse arrangements start at £141 for two weeks ex-Luton in the high season. A number of operators cover a more complete package, such as Ingham's eight-day "Scenic Switzerland" centred on Interlaken. It costs £204-£244, according to season, ex-London, with half board, all transport and three excursions.

Further information: Ramblers Holidays, 13, Longcroft House, Fretherne Road, Welwyn Garden City, Herts AL8 6PQ; Ornitholidays, 1/3, Victoria Drive, Bognor Regis, Sussex PO21 2PW; French Travel Service, 130, Wilton Road, Victoria, London SW1V 1JZ; Swiss Travel Service, Bridge House, Ware, Herts; CIT, 256, High Street, Croydon CR9 1LL; Cosmos, Cosmos House, 1, Bromley Common, Bromley, Kent BR2 9LX.

Thomson Holidays, Greater London House, Hampstead Road, London NW1 7SD; Inghams, 329 Putney Bridge Road, London SW15 2PL; Austrian National Tourist Office, 30 St. George Street, London W1R 9FA; French Government Tourist Office, 178 Piccadilly, London W1V 0AL; Italian State Tourist Office, 201 Regent Street, London W1; Swiss National Tourist Office, Swiss Centre, 1 New Coventry Street, London W1V 3HG.

WINTER SPORTS

ARTHUR SANDLES

ANYONE looking forward to the winter Olympics next month might be pleased to know that it has started snowing in New York State. Lake Placid, the village centre-piece for the snowy jamboree this year, has been warm and snowless for the past few weeks. The thought of even trying to make machine snow for the long cross-country runs was a daunting one.

Now weather in the East has turned distinctly chilly. In Vermont temperatures have been knocking zero F and up-State New York, while a little warmer, is still very cold by European standards.

All this is great news for New York, which apart from hosting the Olympics is about to launch a huge marketing campaign in Britain boasting the city's all-year-round attractions. Centrepiece will be a stage spectacular, complete with Radio City's Rockettes at the Albert Hall.

A snowless Olympics would have taken some of the edge off this campaign, but now it looks as if the I Love New York campaigners can relax a little.

Meanwhile in Europe there is plenty of snow but temperatures have moved up somewhat. Anyone off to the slopes this weekend should take it easy on the first few days. Heavy snow plays havoc with under-exercised legs. The western Alps seem particularly warm at the moment.

Cheltenham choice

THE HORSERACE Totalisator Board has contributed a total of £16,000 in added prize money to three races at Cheltenham this afternoon, and they must be reasonably happy with the acceptors.

Nine, including the firm Sun Grand National favourite, Zongalero, are due to go to post for the Tote Jackpot Chase, while the Tote Double Chase and the Tote Treble Hurdle have collectively attracted such smart performers as Drusus, Roller Coaster, Raffi Nelson, and Celtic Ryde.

Although a forward display is anticipated by Zongalero in the 2½-mile Tote Jackpot Chase for which he is favourite, there is little doubt that the trip is now far short of his optimum. So I intend turning to Dramatist, whose confidence will have been greatly boosted by that facile victory over Skryne in Kempton's 2-mile Avenue Chase towards the end of last month.

Fulke Walwyn's two-to-one on winner there has yet to win at Cheltenham, but he has run fine races there and was in no way disgraced at the Festival Meeting last year, when second to Hilly Way in the 2-miles Champion Chase.

No novice chaser has won that event since 1962 and, in retrospect, Walwyn may have regretted not going for an easier target in the Arkle Challenge Trophy.

Dramatist, arguably the class performer in this nine-runner field over the trip, is not harshly treated with 11st 7 lbs. I take him to win at the chief expense of the veteran course specialist, Joint Venture.

The presence of those in-form performers, Roller Coaster, Drusus and Raffi Nelson, in the three miles and one furlong Tote Double Chase sets a few problems for backers and is not a race I would care to stake money on.

However, for any punter with an interest in such a bet as the BBC Triella, the claims of Roller Coaster look formidable.

Now racing over his optimum trip, Roller Coaster can foil Raffi Nelson's bid to extend his winning sequence to six.

There is good racing elsewhere today, notably at Doncaster. Tommy Joe can lift the William Hill Yorkshire Chase, while Pulse Rate can underline his Cheltenham claims in the William Hill Brewers' Hurdle.

At Ayr I again intend rowing in with Barrow, who was clearly not himself, when a well-beaten favourite last time out.

CHELTENHAM

12.30—Loophole
1.00—Dramatist
1.35—Roller Coaster
2.10—Celtic Ryde
2.45—Zarzaitine
3.15—Dakar

AYR

1.45—Arctic Ander*
2.15—Little Bay
2.45—Dikaro Lady
3.15—Vascar
3.45—Real Pickings
4.15—Barrow***

DONCASTER

2.00—I'm a Driver
2.30—Tommy Joe
3.00—Pulse Rate**
3.30—Netherton
4.00—Honegger

SNOW REPORTS

EUROPE

Val d'Isere (Fr.)	200-280 cm	Avalanche danger.
Flaine (Fr.)	120-480 cm	Warm wet snow on good base.
La Plagne (Fr.)	160-300 cm	Continuous snow for 24 hours.
Villars (Sw.)	100-260 cm	Powder on hard base.
St. Moritz (Sw.)	120-180 cm	Wind crust off piste.
Zermatt (Sw.)	105-270 cm	Heavy cloud but good snow.
Muerren (Sw.)	84-105 cm	Powder on north slopes.
Arosa (Sw.)	110-140 cm	New snow on good base.
Davos (Sw.)	85-170 cm	Snow soft on lower pistes.
Courmayer (It.)	170-270 cm	Heavy snowfall, then rain.
Sauze d'Oulx (It.)	100-155 cm	Wet snow on lower slopes.
Kitzboehel (Aus.)	20-105 cm	Good piste conditions.

European reports from Ski Club of Great Britain representatives.

THE U.S.

Sugarbush (Vt.)	3-14 ins	Packed powder. 19 of 70 runs open.
Stowe (Vt.)	10-12 ins	New powder. 10 of 35 runs open.
Hunter (N.Y.)	10-50 ins	Machine groomed. 29 of 35 runs
Park City (Utah)	35-69 ins	All runs open. Snow forecast.
Aspen (Col.)	18-40 ins	Packed powder.
Squaw Valley (Calif.)	12-114 ins	Clear and sunny. Packed pdr.

Figures indicate basic snow depths at top and bottom stations.

SCOTLAND

Cairngorm:	All runs complete. New snow on hard base.
Glencoe:	All runs complete. New snow on hard base.
Glenshee:	Main runs complete. New snow on firm base.
Lecht:	Main runs complete. Wet snow on firm base.

HOW TO SPEND IT

by Lucia van der Post

Furniture for the Eighties

The very essence of nostalgia is this collection from the French company of Grange. Grange is an old-fashioned family company in Lyons which recently brought in a new young dynamic team who set about doing scientific market research before launching a whole series of " new " designs.

Their extremely lengthy and detailed research told them that the crisis of 1974 would give birth to " the need for cosy surroundings, reassuring, warm, expressed by a return to the old and authentic values, the search for roots, for natural substances and materials." They interpreted this as meaning that the public would be searching for a new style which would find its " expression in romantic and rustic lines."

This accounts for the " romantic and rustic " look of the furniture in the photograph, above. I actually think there is quite a lot in what Grange has discovered. Many young people do seem to have found that what we have been used to calling " modern furniture " hasn't answered their needs. Why else are the young to be seen scouring the bric-a-brac and antique shops at weekends ? It isn't just the price of a lot of modern furniture that puts them off, it is that it has failed to satisfy them in some deep way.

Though intellectually I shy away from the idea of the kind of mish-mash of styles that the Irlande collection by Grange represents, when I actually see it I have to admit that it has a distinct charm. It is extremely well-made in pine (with Cyprus veneers), all the pieces are polished by hand, all are made in small craft workshops in the Lyons area. The furniture would look admirably at home in attic bedrooms, in country cottages and even in the homes of urbanites playing at rustic living. I have a feeling that many young girls long for exactly this kind of bedroom.

The Irlande collection by Grange is now available in a small group of retail shops. Prices seem at least on a par with other modern furniture, being neither cheap nor expensive. Also in the collection is a whole selection of accessories like " old " paintings, patchwork collages, lamps, cushions and fabrics. For further details about the furniture write to: Martine Lunch, Delapole, High Street, Bray-on-Thames, Berks. In mid-February it will be on sale in Harvey Nichols of London, Abode of Stratford-on-Avon, Hills of Preston, Jones & Rayner of Chelmsford.

FOR several years now I've been asked to help judge the Showpiece of the Year Awards at our annual Furniture Show and a fascinating task I find it. This year's show was held last November at the new National Exhibition Centre in Birmingham and I haven't written about it until now becanse although the show was open to the public it isn't until about this time of year that the new designs begin to filter into the shops.

I have to say at once that anybody looking for exciting innovations, for a startling oew change of direction, anybody hoping to be amazed and astonished would have been disappointed by the selection of furniture I saw. Just as each time I go to a oew hairdresser (very fickle I am) I go in the great hope that I may be totally transformed, so eacb time I go to the Furniture Show I go in the hope of finding something so absolutely stupendous that I can't wait to tell the world about it.

It is, of course, unreasooable. What our furniture industry is extremely good at, wbat it is all about is selling large amounts of furniture to a poblic that, hy and large, wants good solid middle-of-the-road stuff at middle-of-the-road prices. And that is what they get. Most people of average taste and average income would find an enormous range of valne-for-money lines to choose from.

Anybody whose taste rao to repro, wbo wanted approximate copies of Sheraton and Hepplewhite, of Regency and Georgian lines would find a huge selection, most of it extremely well-made and quite well-priced.

If you were looking for pine or cane or glinting rows of cbrome and glass you would have done extremely well. If you were looking for opholstery I could have sbown you prondly to many a stand sporting finely-made, comfortable, good-quality upholstery io shapes, sizes and prices to suit most people.

It is only those, like me, wbo go in a state of unreasonable expectation who are doomed to disappointment.

But to the Awards. My four fellow judges and I had little difficulty in agreeing on some of the winners. The sofa by Roset that turns into a bed (photographed immediately below) was sufficiently ingenious to win marks from us all—its quilted covers turn into a duvet and altogether it seemed genninely new, interesting and worthy of an Award.

We all agreed that James Seccombe's innovative bed (pbotographed at the bottom of the page), offering genuine help to those with back problems, deserved our approval. The Ashdown fonr-poster (not photographed) was fresh, pretty and the sort of desigo that many a family would long to bave so that, too, won most of our votes.

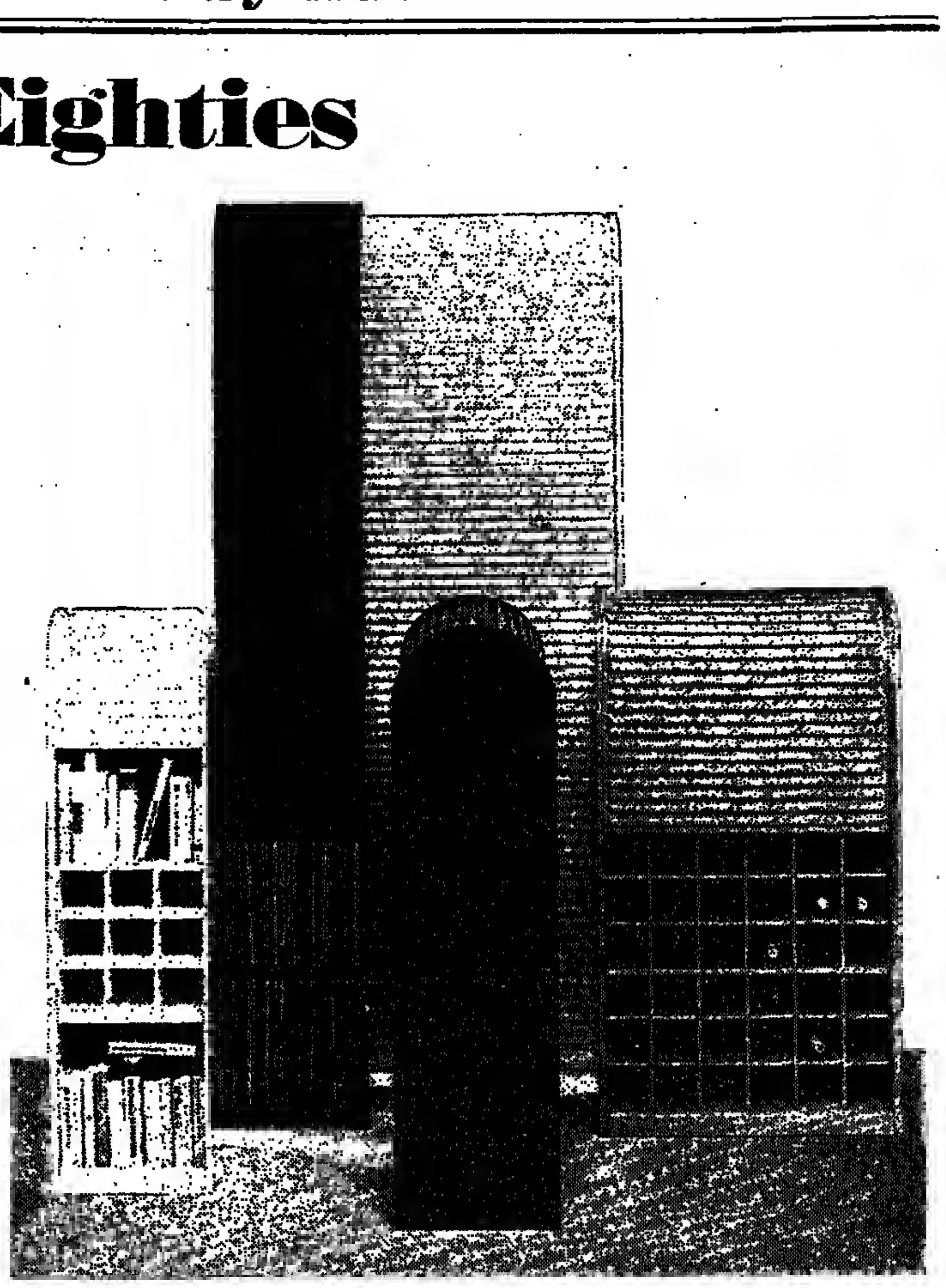
After that we began to fall out, in the friendliest way, of course. I, to my astonishment, found myself defending a piece of reproduction furniture—it was to my mind one of the most finely made, most desirable pieces at the Show. Made hy R. E. Productions of Hove it is a solid English oak bookcase, made exactly as it would have been in the days when British cabinet-making was at its height. Solid wood, band-cut nails, solid brass hinges and knobs, band-made glass for the bookcase fronts. I am only sorry I don't have room to show it here. It is expensive (at £1,400) but is exceedingly pretty and versatile. In the end the rest of the panel voted with me.

I acquiesced in the cboice of an inoffensive, aod iodeed quite nicely-made expanding dining-table hy William Lawreoce (not shown)—at £199 it would certainly represent very good value.

The final choice was a well-priced, useful but not startling collection of unit-seating by Pendle Furniture (not shown), originally seen by the judges covered in a nubbly cream tweed but unfortunately later photographed in a much less attractive (to my mind) patterned velour.

So, not a vintage year but in the collectioo of Award winners there are some pieces that could be the answer to maoy people's practical needs.

And if we look to the future what direction does the furniture world seem to he going in? I think the two photographs to the left and to the right sum it up—on the ooe hand there seems to be oo end to the growth of the nostalgia industry while on the other hand there will also, hopefully, be new attempts to produce oew shapes, designs and a look that is at once attractive, forward-looking and innovative.



By far the most exciting range of furniture that I saw at the entire Furniture Show, was sadly, a collection that was not submitted for selection for an Award. Designed by Aldo van den Nieuwelaar for the Dutch company, Pastoe, it is a series of storage units all of which have roll-tops which are an integral part of the design but serve at the same time to keep dust out, to cover up untidy shelves or simply to be used in any way the owner finds visually pleasing.

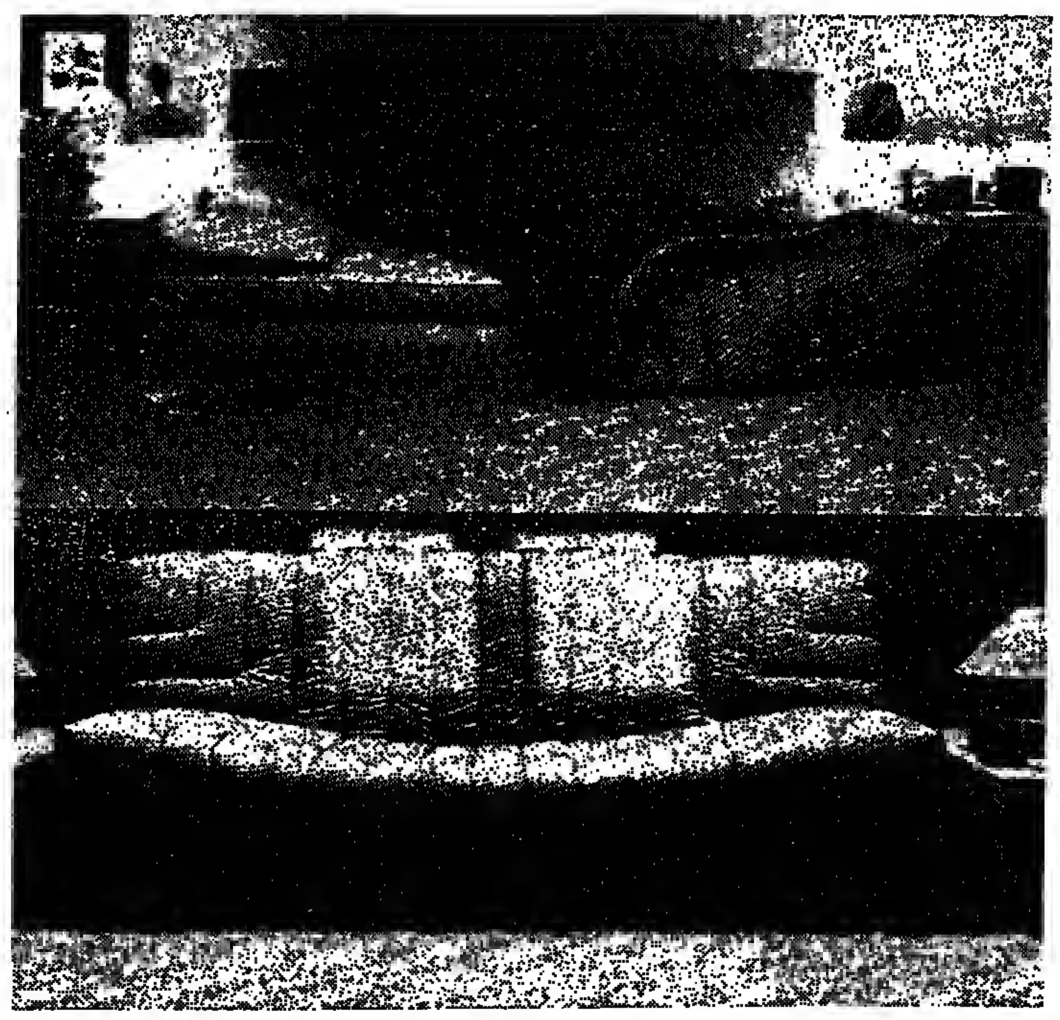
There are eight units which vary in size and there are three different heights and two widths. They can obviously be used singly, in which case I think they work visually as a piece of sculpture does, but they can also be used in groups to provide a complete range of storage. Each unit comes with a standard range of shelves but there are other optional interiors.

They can be used for storing records, books, wine, or used as a bar, or a desk.

They are made from wood laquered in white, black, blue, cream, rose or a dark natural wood colour. Similarly here too colour can be used for visual impact—the units can be used to play up the colour theme. The rolltops, or sliders, are made from vacuum-formed ABS and the ripple effect that you can see is also functional—it provides the grip, at any point, that enables the user to move the slider.

Prices range from £238 for a small narrow unit to £320 for a bureau sized unit. £460 is the top price for a tall (221 cms) and wide (74 cms) unit.

They will be available from mid-February from The Conran Shop, 77 Fulham Road, London SW3; The Baileys, Leamington Spa; Eddershaws of Cardiff and Abbots Yard Furniture, Royston, Herts. The range is imported by Banks Heeley.

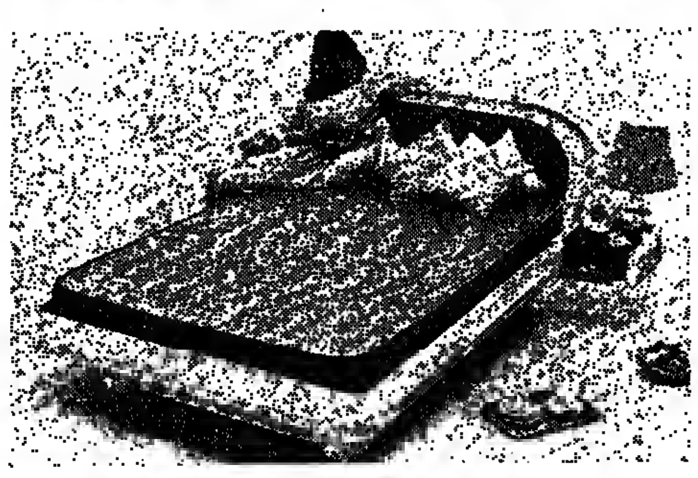


This was one of the most interesting new pieces of furniture to be seen at the recent Furniture Show. It looks like an ordinary sofa covered in a rather soft, quilted, duvet-like material. In fact it also converts into a double bed and the quilted cover of the settee can be removed to become a duvet. There are also two wedge-shaped cushions which can be used as pillows.

It sounds complicated but once one gets the hang of how it works, it is not difficult or tedious to use. Admittedly, I personally wouldn't like to have to undo my sofa in this way every night of my life, but it does offer a lot of potential for students and other people who are obliged to live in bed-sitting rooms and who prefer them to look rather more like sitting roome than bedrooms. It has obvioue scope too, for people who put up guests occasionally and could therefore use the sofa in, for instance, a study to double as an occasional guest-room.

The sofa bed isn't cheap but it is extremely carefully and nicely made. The seat unit which opens out to form the base of the bed is made from firm foam while the back unit of the sofa, which forms the mattress, has foam of a much softer density. Both of these sections are Dacron quilted.

This particular sofa measures 83 by 200 by 110 cms and sells from £654. By the French firm Roset, the sofa is called Armide and is on sale now at Lee Longlond, 224 Broad Street, Birmingham and from February at Heal's, London W1 and Indesign, 38 Watergate Street, Chester.



I have to admit that this is not a particularly good-looking bed and I was on the point of dismissing it out of hand on that account when I learned that in fact it incorporates an extremely interesting new development which should be of great help to sufferers of " back-trouble."

The bed has been completely moulded from Propathene (which for the 99.9 per cent of the population who aren't familiar with every brand-name, is ICI's polypropylene) and the designers of the bed, James Seccombe, an eminent orthopaedic surgeon and ICI's Plastics Division, all worked together to produce what was the most anatomically-correct bed they could devise.

The whole support system is exceedingly clever but simple so that the bed is formed from interlocking pieces which give the necessary support but at the same time a regular series of drilled holes allows the mattress to be ventilated and the density of the foam to be varied.

The mattress itself is non-allergic and dust-free (a boon to those who suffer from common household allergies) and the design carefully takes account of the other practical details—space is allowed for the sheets and blankets, sides prevent the mattress sliding and so on.

The JS 2000 fashion bed costs £210, including the mattress. There are more luxurious and expensive versions that incorporate upholstered headboards and surrounds and which cost corerspondingly more. On sale now at The Baileys, Leamington Spa and from the end of the month at all Perring branches, some House of Fraser stores.

TAKING YOUR CAR ON HOLIDAY 1

● CROSSING THE CHANNEL... ● WHAT IT COSTS... ● WHERE TO STAY...

Price war makes buyers' market

BY ARTHUR SANDLES

IF THERE is one bright spot on the motorist's horizon this year—and most of us desperately need one—it is the fact that the car ferry business is suddenly a buyer's market.

Prices are not actually tumbling on the ferry runs, but certainly they are weakening. The ferry companies have a surfeit of capacity and an eagerness to compete. This year the motorist leaving the British mainland may actually feel wooed.

This pressure on prices may extend to other fields affecting the motoring holidaymaker. Rural hoteliers in much of Europe—including Britain—have not bad a healthy time lately and are worried that if they increase prices too much they will frighten away even more customers. The chill breeze of competition in these two areas may give some comfort to drivers worried about escalating costs in *others*.

Competition on the ferry runs is going to produce a measure of inconvenience. The break-up of the relationship between Townsend Thoreson and Sealink means that tickets for the two operations are no longer interchangeable. Otherwise the change last year should bring nothing but good—but more of *that elsewhere*.

Of course, there are times when even the most eager traveller has donbts about the motor car. Last September was such an occasion for me, as I changed a wheel in driving Normandy rain while three restless daughters fretted about catching the ferry. But one takes the occasional bad along with the considerable good, and there is no question but that taking a car on holiday brings enormous benefits and freedoms.

It is freedom which has probably contribnted most to the sustained popularity of motoring holidays. The family car is used for about two-thirds of British domestic holiday trips and is bugely popular for overseas visits, in spite of competition from package tourism.

The fact is that the package tour companies have failed to find a solution to the family's big bolidays problem—how to get a decent summer holiday when schools are closed for a reasonable price. The beart of the car holiday market is the family with school age children, apparently well heeled but in fact burdened by hefty mortgages, *high family outgoings* and where the wife probably cannot work because of those family commitments.

A motoring holiday gives such a group a chance to sample domestic and foreign pleasure in pleasant circumstances and yet with a controllable budget. If cash runs low yon can always turn to cheaper pensions and live *on French bread and* cheese.

Thus the car holiday market has thrived, at least in relative terms when compared with other areas of consumer spending. The result is a proliferation of ferry routes, an enormous growth in accommodation aimed at passing motoring trade, a substantial expansion and up-grading of camping and caravanning facilities, and considerably improved roadside catering.

This year may not be the year of bargain-priced petrol, but it is certainly the year when the motoring holidaymaker will find himself plied with attractive offers.

Insurance

UNFORTUNATELY, things can go wrong on a motoring *holiday, and it is best to con*sider problems in advance. One of the basic misconceptions about insurance is the belief that somehow it protects you against the accident or incident. It doesn't. It simply helps you to deal with the problems if they arise.

This may sound a superficial comment, but it is remarkable the number of people who take out insurance with little or no concern about bow or where to claim. For example, it is a nonsense for one member of the family to take out family insurance and not tell the others where the policies are or what the claims procedure is.

Within the EEC, and in some other countries where there are reciprocal deals, British residents (but not the self-employed or unemployed) can get medical help free or at a substantial discount. Form SA 28 produced by the Department of Health and Social Security gives details.

Once the form is completed you will get Form E111 entitling yon and your fellow passengers to local treatment. Reciprocal treatment is also *available in some other* countries, the DHSS has up-to-date details.

This E111 cover can be administratively fiddly to obtain when actually in Europe and is not always for 100 per cent of treatment. It is best therefore to top up with normal medical cover.

Read the small print to ensure that you are getting what yon really want. The AA, for example, covers the member's spouse for car problems if he or she is enrolled as an affiliate. Unmarrieds could, it seems, find themselves in difficulties if the member has, for example, departed the scene perhaps for urgent business or health reasons since only the member can sign the *vouchers*.

If you take out medical insurance make sure you have contact numbers for the company's agents in the countries you are visiting. A bospital may not take your word for it that you are insured.

Most European countries like to see an accident report if you are involved in an incident on the road. Your insurer/motoring organisation should give you one. After an accident fill in the form with any other motorist involved. You simply enter what you can agree on.

Since road accidents often are followed by differing descriptions of what happened it is worth keeping the camera that most of us take on holiday accessible in the car. Take as many shots as possible, from as many angles as you can.

As far as spares are concerned, I usually carry spare hoses, bulbs, a fan belt, numerous nuts, bolts and screws, a ball of picture wire and a basic tool kit. You can hire emergency kits for most makes of cars for a relatively small amount.

The wire I regard as the most important part of the kit. It is invaluable for holding down a boot lid after the lock has broken, for tieing up suitcases and for holding on bits that are falling off. I once secured a detached exhaust system with a wire coathanger.

Cars wait to be loaded aboard the Sealink ferry Hengist at Folkestone

Fares structure never so complicated

BY WILLIAM HALL

NEVER IN the history of the cross-channel ferries have there been as many fare bargains available as there are currently. But never before has the structure of tariffs been so complicated.

If you thought finding the cheapest air fare to Timbuctoo was a problem, just wait till you try to pick out the cheapest way to cross the Channel. The two main competitors, Townsend Thoresen (part of European Ferries) and Sealink, have been advertising heavily to win customers.

Townsend Thoresen's slogan is, "*Look before you book*." It has gone to a lot of trouble to pick out the fares of its rivals and *set them against its own* in a series of adverts. British Rail's Sealink, meanwhile, has embarked on an advertising campaign entitled "How to win the price war."

Both operators believe they are cheaper than the other, and in some cases this is true. A lot depends on the time and date of sailing. Meanwhile, P & O *Ferries, smallest of the three* operators on the busy short cross-channel routes, said just before Christmas that it would be cheaper than most other operators on the vast majority of fares.

The fact is that no one is sure. Prices are changing all the time with the result that much of the early advertising is out of date already. Take, for example, Sealink. In December it announced a £10 reduction in all car ferry prices for French route bookings for July and August provided they were paid for by January 31. Less than a month later the discount was increased to £15 and only a week after that the period the discount was available for, was extended.

At the time of writing, Sealink's £15 discount was available on bookings paid for before March 1 yet Sealink adverts were still indicating that the discount was available only for peak period crossings to France before February 1.

What it costs in July*

	Normal £	Peak £
Cortina + 4 adults		
Sealink	59.3	63.8
Townsend	53.0	65.0
P & O	70.0	76.0
Mini + 2 adults		
Sealink	32.6	36.0
Townsend	33.0	42.0
P & O	39.0	42.50
Rover + 2 adults, 2 children		
Sealink	49.4	53.9
Townsend	51.0	66.0
P & O	62.0	68.0

* Single fares, assuming use of Sealink Early Booking discount. Dover, Calais/Boulogne.

To understand why things have suddenly become so complicated it is necessary to look at the background. Until the mid-1970s the short sea crossings between Dover and Calais/Boulogne, etc., were dominated by Sealink (British Rail's ferry operation in partnership with its French and Belgian counterparts) and Townsend Thoresen. Both groups maintained a fare pooling arrangement by which any passenger could travel on either a Sealink or a Townsend ship. The tickets were interchangeable.

This rather cosy arrangement had gone on for years. Then two things happened. First, a competitor in the form of P & O Ferries appeared on the scene. P & O had ignored its ferry operations for years and had tended to concentrate on the more important business of running ocean liners.

However, times change and P & O woke up to the fact that its ugly little ferries were one of the few profitable bits of shipping left. In 1976 P & O moved on to the Dover/Boulogne run. In 1978 it put a second ship on the route and a third ship is now due to start operating in a few weeks. Unlike its two bigger rivals, P & O Ferries remained outside the common fare agreement and undercut the others.

The second thing that happened was the announcement at the end of 1978 that Sealink was to be set up as a separate company with its own financial targets. Fired with enthusiasm and freed from many *restraints*, Sealink decided to adopt a much more aggressive marketing strategy and pulled out of its common pooling arrangement with European Ferries from January 1 this year.

That, at least, is Sealink's story. But at Townsend Thoresen they tell a different tale. The company has just spent £50m on three new super ferries which are bigger and faster than anything yet seen on the Channel.

Whereas a conventional ferry can cross the Channel in 90 minutes, Townsend's new ships will cross in 75 minutes. In addition, cars will leave the ship simultaneously on two levels and in four lanes at Dover.

When all three ships are operating (the first began sailings on January 14) Townsend will be able to offer a daily capacity of 40,000 passengers, and 10,000 cars—50 per cent up on present figures.

Townsend argues that because the three new vessels can do the work of four old ships, the old pooling arrangement is no longer useful to them and so they had decided to pull out anyway.

Whatever the reason, it is clear that with the new capacity coming on to the Dover-France routes (Sealink, Townsend and P & O will have six extra ferries) a serious round of price cutting has broken out.

The big problem, however, is to know bow to take advantage of the offers being made. The best policy is to go to a reputable travel agent and ask for advice. But if yon have a computer-like brain and want to try to assess the myriad permutations now on offer, bere are a few tips.

A starting point which has not been tampered with (yet) is the basic cost of *getting people*, as opposed to cars, across the Channel. Here, Townsend charges £7 single, while Sealink charges £9.90. In both cases children aged between four and 14 travel for half price. Consequently, the more people you can fit into a Mini, the more value for money Townsend fares are likely to be.

Another thing to watch is the length of the car. Townsend has three price categories—while Sealink had four but has now simplified them to two. In addition, Townsend has four different prices for the same vehicle during the summer season.

As a very rough rule of thumb a small car with one or two *passengers can often cross the* Channel more cheaply by Sealink than by Townsend. But it pays to shop around and the *Sealink prices are affected* by the £15 discount which, on present form, expires by March 1. Take that away and Townsend looks considerably cheaper, across the board.

While the real battle for *supremacy is taking place on the* high volume short sea routes between Britain and France, many holidaymakers prefer to take a longer crossing and reduce the driving once on the Continent. Brittany Ferries, which operates between the UK and Brittany and Spain, has pegged many of its prices at last year's levels. It operates from *Southampton and Portsmouth to* St. Malo and Roscoff. P and O Ferries operates between Southampton and Le Havre.

Then there are the hovercraft which skim across the Channel at 60 mph. Prices are sometimes *higher than for ship* crossings but both Hoverlloyd and Seaspeed have proved that there is a market for speedy crossings.

TAKING YOUR CAR ON HOLIDAY 2

Camping eases the budget

BY SILVIE NICKELS

SHEER ECONOMICS rather than a desire to return to nature may be prodding some of us into considering camping (or the slightly more cushioned aspects of caravanning) for the first time.

Those in the know will hardly require advice from me; indeed they will be aware that going back to nature need barely come into it. Others, bemused by the sheer weight of material, advice and suggestions available, may find a few pointers helpful.

My knowledge of caravanning is limited to a few static ones, but I do know about camping, from the "wild" variety (extremely wild on occasions) to sites ranging from the idyllic to the horrendous, and many of the same principles apply to both forms of holiday.

If you already have the equipment and it is a question of taking it abroad for the first time, then the first obvious sources of information are our camping, caravanning and motoring organisations, followed by the national tourist offices of the countries that interest you.

As in the case of hotels, they publish helpful lists of (often classified) sites and their facilities. Check the symbols carefully to be sure that the amenities required by all members of the party are available — *and* at the time you will be there.

They will not, unfortunately, indicate some of the minus points, but common sense, aided by judicious inquiry should lead to sufficient enlightenment.

If you do *not* already have the gear, then it seems advisable to sample one of the many packages which take all the pain and high initial investment out of a first-time operation. The packages cater for most eventualities, from the hiring of equipment at a Channel port (such as the AA Camping Pack scheme) to the renting of fully equipped pre-erected tents or static caravans on a wide variety of sites.

As in the case of hotel holidays, the degree of flexibility varies a lot and it is essential to be clear about your needs and make sure that your selected package meets them. Normally, arrangements will at least cover return travel, with car, and the cost of equipment hire.

The following are a few of the possibilities. United British Caravans can rent you a touring caravan with Montreuil, near Boulogne, and Tours as pick-up points, or static hire in the Loire and Dordogne. Deneway, 12 years in the business, has "statics" in Brittany, Normandy and the Vendée, as does Freshfields (part of Butlins) which extended its camping/caravanning holidays across into France a couple of years ago; it also includes the French Riviera, the Landes and Dordogne/Auvergne areas. Matthews features the western French coast, and Wigwam, with tents and caravans, concentrates on the whole fo the southern French coast, with the adjacent Spanish costa and Italian Riviera, plus Venice.

Leading camping tour operators are Canvas Holidays, now embarking on its 17th season, which has spread from its main operation in France into Italy, Austria and Switzerland. Eurocamp, backed by eight years' experience, concentrates on France, as do both Carefree Camping and Montents.

Very roughly, a fortnight's holiday in France for two adults and two children, according to season and site, ranges from £230 to £350 for tents, and £300 to £440 for caravans, using short sea crossings. Additional charges apply to some sites at some seasons.

Though seasonal fluctuations largely account for variations in price, the standard or size of equipment must also be taken into account. Freshfields, for example, is the only company I know supplying caravans with flush toilet and hot showers, though naturally most of the sites chosen by all operators offer these facilities.

The same company, unusually provides sleeping bags on its tent holidays.

All operators give an inventory of equipment provided which reveals some interesting inclusions and omissions. Linen is never supplied, cutlery sometimes is not; some offer a better range of kitchen utensils or useful extras such as a clothes drying rack. Even more important is the standard and age of the temporary home provided—Canvas Holidays are among those which renew their very spacious tents after two seasons.

Indeed, Canvas has got the whole business down to a fine art, offering enormous flexibility of departure dates, number of sites that can be visited, methods of reaching them, and a lot of potential reductions. Night Bird specials, for example, are a bargain for those with the stamina to travel the 2 am crossing from Dover to Boulogne.

As rates go down in proportion to the number of people travelling together, they are inevitably high for couples, so specially low rates have been introduced by Canvas for two adults taking holidays before July 5. Greater flexibility also applies in the off-peak season, when it is possible to roam more or less at will from site to site, with a total of 68 to choose from, though two or more sites (minimum of three days at each) can be combined at any time with sufficient advance planning.

Another important facility is Canvas's weekly charter motorail service from Boulogne to Avignon, as well as special rates of some scheduled car-carrying trains.

Eurocamp offers similar flexibility and the option of staying at two or more camps. Like other operators it points out the advantages (lower cost and less crowding) of booking out of the main season, while making it clear that not all site facilities may be available then. Inveterate users of swimming pools and other sports amenities or those insisting on a take-away food service, should check that these are functioning during their stay.

Most companies offer the option of making hotel reservations en route, usually at well-tried establishments of different categories. Montents features a couple of camp sites strategically placed for overnight stops on routes to their destinations in central and southern France.

Though a high proportion of arrangements are devoted to the nearer Continent and points south, enthusiasts for wide and empty horizons should consider Scandinavia, where camping is very much part of life and where days up to 24 hours long more than compensate for a usually cooler climate.

For Tor Line's tours you need your own tent or caravan, but their packages covering return fare with car and pre-paid camping cheques give you access to more than 800 sites in Finland, Sweden and Norway. And nowhere else in Europe does the open road offer quite such freedom.

ADDRESSES

B and I Line, 165 Regent Street, London W1R 7FD.
Brittany Ferries, Millbay Docks, Plymouth PL1 3EF.
DFDS, Mariner House, Pepys Street, London EC3N 4BX.
Dunkerque Ramsgate Ferries, 49 Harbour Parade, Ramsgate, Kent CT11 8LJ.
Hoverlloyd, International Hoverport, Ramsgate, Kent CT12 5HS.
Norfolk Line, Atlas House, Southgates Road, Great Yarmouth.
North Sea Ferries, King George Dock, Hedon Road, Hull HU9 5QA.
Olau Line, Sheerness Docks, Sheerness, Kent ME12 1SN.
Fred Olsen/Bergen Line, 229 Regent Street, London, W1.
Polish Baltic Line, Cardic House, Ferry Terminal, The Docks, Felixstowe.
P and O Irish Sea Services, 94 High Street, Belfast BT1 2DH.
P and O Normandy Ferries, Arundel Towers, Portland Terrace, Southampton SO9 4AE.
P and O Ferries (Orkney and Shetland Shipping), Beaufort House, St. Botolph Street, London EC3A 7DX.
Prins Ferries, 13/14 Queen Street, London W1X 8BA.
Sealink/Seaspeed, Car Ferry Centre, 52 Grosvenor Gardens, London SW1W 0AG.
Townsend Thoresen, Car Ferry House, Canute Road, Southampton SO9 5GP.

ADDRESSES
Hotels and Camping/Caravanning

Argosy (AA), PO Box 100, Halesowen, West Midlands B63 3BT.
Brittany Ferries, Millbay Docks, Plymouth PL1 3EF; or Norman House, Albert Johnson Quay, Portsmouth PO2 7AE.
Canvas Holidays, and Car Holidays Abroad, Bull Plain, Hertford SG14 1DY.
Carefree Camping, 41-43 Stephyns Chambers, Hemel Hempstead, Herts.
Deneway Holidays, PO Box 286, Rottingdean, Brighton BN2 8AY.
Eurocamp Travel, 82 King Street, Knutsford, Cheshire.
Freshfields Holidays, 441 Oxford Street, London W1A 1BH.
Matthews Holidays, 8 Bishopsmead Parade, East Horsley, Leatherhead, Surrey KT24 6RP.
Montents, 22 Gerrard Road, London N1 8AY.
RAC Travel, PO Box 8, Lansdowne Road, Croydon, Surrey CR9 2JH.
Tor Line, Anzani House, Trinity Avenue, Felixstowe, Suffolk.
Time Off, 2a Chester Close, Chester Street, London SW1X 7BQ.
Townsend Thoresen, 1 Camden Crescent, Dover, Kent CT16 1LD.
United British Caravans, Colnbrook By-Pass (A4), West Drayton, Middlesex.
Wigwam International, Wigwam House, 1 Norwich Road, Watton, Thetford, Norfolk IP25 6AH.

Hotels: try your luck

BY SILVIE NICKELS

THERE IS probably a bit of the gipsy in most of us, and the call of the open road holds a challenge that is very tempting in its unpredictability.

The merits of the many commercially-published hotel guides can be examined in any good book shop; I am concerned here with sources of information and the facilities that exist to cater for varying degrees of pre-planning.

All national tourist offices publish free annually-revised national or regional guides (often both) to accommodation, some of them—like the Swiss one—giving an incredible amount of detail by means of symbols.

The Swiss also ask us to note that many of their hotels are pegging their prices for the seventh successive year. The French are unique in having files of photo-guides to hundreds of hotels which can be consulted at their London office, and even provide bi-lingual letters for making your reservation.

The Italians, in their excellent Travellers' Handbook each year, include a specimen reservation letter in Italian, too. Unfortunately, no one can guarantee you will receive a reply!

For some, one of the great pluses of taking the car abroad is the freedom of not being tied to a given hotel on a given date. Armed with hotel lists and sufficient preliminary planning to avoid over-long daily mileages—and pre-supposing an absence of fractious passengers—it is mainly a question of starting the search early enough and having a philosophical turn of mind when your first choice turns you away. Some of our best finds have resulted from initial disappointment, and others from sheer chance.

In addition to general hotel lists, there are others devoted to more characteristic establishments. Probably the best known are the Logis de France and Auberges Rurales, of which there are now over 4,000, mostly family-run and in the one or two-star category, scattered throughout France, excluding Paris.

More up-market, in standard and price, are the Relais de Campagne, many in old castles or historic country mansions. Castle hotels are a feature of Germany, too, including some splendidly craggy ones in the Rhine and Moselle river country. Spain's *paradores* and lower-priced *albergues*, and Portugal's roughly equivalent *pousadas* and *estalagems* to a large extent go in for regional decor and regional food, often in a fine regionally typical building; their location usually makes them particularly suitable for users of the open road.

The Scandinavian countries have made a speciality of so-called summer hotels, which revert to their original function as student accommodation during the university term. Modern and bright, they offer good value for money.

In addition, the Danes have their very charming inns, 64 of which have got together to offer special low prices until the end of May. Full details of all these can be obtained from the relevant national tourist offices in London.

Both the AA and RAC feature a quite wide choice of one-centre holidays, in several western European countries, as well as pre-paid voucher schemes by which each night's stop is booked in advance from the preceding night's hotel.

An excellent new facility for motorists staying put in Switzerland, incidentally, is a half-fare season ticket which, for a reasonable initial outlay, entitles holders to excursions at half the normal fares throughout the Swiss Federal Railway network and on most private railway, lake steamer or postal motor-coach services.

Among the more adaptable do-as-you-please packages for France, Italy, Austria and Belgium are those of Car Holidays Abroad. In this case you pay for your return ferry crossing and two nights' bed and breakfast in a chosen area, and are then sent off with much useful literature, either to do literally as you please for the rest of the holiday or make use of any of 600 carefully-selected hotels on a b. and b. or half-board basis.

This year, Car Holidays are also introducing some planned touring packages in specific regions such as Brittany or the Dordogne in which hotels are booked throughout.

Time Off, which specialises in the more adjacent parts of the Continent, has a very wide selection of touring combinations juggling with Boulogne, Le Touquet, Dieppe, Rouen, Paris, the Ardennes, Brussels, Bruges and Amsterdam, with a choice of one to four-star hotels and a range of from three to 13 nights. Prices across this broad canvas are from £50.10 to £372.80 using short sea crossings.

Several of the car ferry operators make good use of their own services to compile packages. Brittany Ferries' go-as-you-please motoring tours, using their sailings to St. Malo, Roscoff and Santander, now feature 172 two and three-star hotels all over France and nine in northern Spain. Vouchers for half-board at any of these leave maximum freedom of movement on five, seven and 14-day holidays.

Townsend Thoresen links its numerous services with packages ranging from two nights in Amsterdam to 11 nights in the Dordogne or Austria.

Tor Line's schedules from Felixstowe (and, jointly with DFDS, from Newcastle) to Gothenburg are the basis for their excellent range of motoring holidays in Scandinavia, these being extended to Finland via Silja Line sailings from Stockholm.

READING LIST

Travellers' France. Arthur Eperon. Pan £1.75. Shell Guide to France. Edward Young. Michael Joseph £10.
Michelin: Camping and Caravanning in France Pneu Michelin (1980 price not yet available). Guide Michelin (1980 price not yet available).
Logis de France, booklet from French National Tourist Office.
Fleche Verte, free guide to quiet roads from French National Tourist Office.
Through France on Minor Roads. Peter Bereton. Darton Longman and Todd £1.95.

ARTS

Talking heads

Barriers is the blanket-title for the radio series in which Graham Turner investigates the persistence of class-consciousness in contemporary Britain. Last Sunday he was dealing with class as it affects people's work-prospects and the funtioning of industry, in a programme called *Blue Collar and Old School Tie* (Radio 4 UK, January 20). Does your class determine the job you do and the way *you* are treated? Or is it the other way round? How much real mobility upwards within our society is there? Are class-barriers the true British disease stifling industrial efficiency? Or is class-consciousness merely a tool used by revolutionaries and anarchists to cause unrest?

RADIO

ANTHONY CURTIS

Questions of this order, to which there can be no exact answers, were trawled by Mr. Turner across a wide, swelling section of the ocean of British industry; they yielded a highly satisfactory haul. All manner of living creatures quivered briefly in the net before expiring, from the huge whales and pirhanas of boardroom and unions to thrusting flat-fish of middle management and shop-floor.

Lord McCarthy said plainly that status differences do create more tension than they did, that there were class-differences to be found in terms of employment, length of holidays, pension rights, and so on. Sir Hector Laing of United Biscuits nailed it more precisely to the method by which people were paid and looked forwards to a single system covering both management and the workforce.

One worker interviewed complained that at dances the office people never seemed to socialise and there were side-glances to companies abroad where, for instance, the Porsche bosses and their workers go skiing together at the weekends. And there were, too, the inevitable comparisons between British- and Japanese-run companies where, in the latter, loyalty to the company transcends all other loyalties and differentials.

The beauty of a radio-investigation of such perennial problems is that it is inevitably open-ended or, as we used to say, inconclusive. Questions are raised of considerable interest but before they can be answered fully the tape is snipped and we are off on another tack altogether for time presses and we must get on. The answers for the listener come not so much in the words but in the tones and accents which is why such programmes are so much less rewarding to read when reprinted than than they are to hear. Without any extra effort on the part of Mr. Turner, who is an admirable ringmaster for this kind of circus, you could discern the points he was making about class in the huge discrepancies of diction among the various groups interviewed. They might almost have been speaking in different languages—which is part of the trouble.

There was a rich spectrum of tones, too, in a similarly structured mosaic about Swansea, the latest city (it is a city now, as we heard Prince Charles declaring) in the series *On the Town* (Radio 4 UK January 23). Tony Lewis, the narrator, lifted the material greatly by his infectious enthusiasm, while the producer, David Rayvern Allen succeded in packing in everything from the plummy voice of Kingsley Amis, once a lecturer at the University College of Wales, on Swansea's parkland, to the memorably indigenous utterances of the cockle-women as they went about their tasks on the foreshore at Mumbles Head: "A marvellous three-card trick of a town," was how Wynford Vaughan Thomas summed it cryptically up.

The surrounding sea rather than the town itself was the most palpable presence in the programme: the importance of Swansea as a port was set beside its industrial, academic, musical and other achievements. Dylan Thomas was sensibly not allowed to hog too much of the act nor was Harry Secombe who was complemented by an intervention from his brother, the *Reverend Fred Secombe*.

It has been a big week for radio drama with a repeat of John Tydeman's production of Tom Stoppard's *Artist Descending to Staircase* (Radio 3, January 22) heard originally in 1972. This inaugurated the series *Play Festival* in which ten outstanding plays specially written for radio will be re-broadcast. Meanwhile *Hi-Fi Theatre* has at last found a text powerful enough to support its pretensions in John Whiting's *The Devils* (Radio 4 UK, January 21) with Michael Bryant as Father Grandier. Finally *The Hitch-Hiker's Guide to the Galaxy* is making a nightly reappearance on Radio 4 after the ten o-clock news. It received the accolade of a whole edition of *Kaleidoscope*. After that what more is their to say?

Mark White, rope spinning; looking on are Christina Matthews, John Diedrich, Madge Ryan and Linal Haft

Oklahoma!

BY MICHAEL COVENEY

The combined production team of the Arts Council, the Leicester Haymarket and impresario Cameron Mackintosh unveiled their splendid revival of *Oklahoma!* for critical inspection on Thursday night. The Leicester Haymarket, where last year's similar ventue with *My Fair Lady* was also launched, was packed and expectant. We were not disappointed. *Oklahoma!*, the most influential of all post-War musicals, opened in New York in 1943 before giving a shot in the arm to the London austerity of 1947 at Drury Lane. No opening chorus. The sound of a cow hand heralding a beautiful morning offstage while an elderly lady churns butter in front of a wooden verandah.

Curly the cow hand has a surly rival for the hand of Laurey, who lives on the farm with her aunt. The rival is the farm worker, Jud Fry, and it is a tribute to the clear, expressive playing of Alfred Molina in the role that the musicals structure works so well. The famous ballet interlude at the end of Act One is, surprisingly, the most dated thing in the show, but it serves the important function of prefiguring the melodramatic conclusion, in which Jud falls on his own knife before Curly and Laurey set of on their honeymoon.

The real revelation, however, is the opening scene, which plays for a complete hour and strikes me as technically perfect and dramatically thrifty. We have no less than seven hit songs, including two graphic comedy numbers for Ado Annie and the travelling pedlar that offer astringent sexual perspective on the overall draft of sentiment and optimism. It is quite astounding to recall that this was the first collaboration of Richard Rodgers with his new lyricist, Oscar Hammerstein. The Leicester singing and orchestral playing delivers "Surrey with the Fringe on Top" on a tight rein, with a sure and sensuous *accelerando*. For "People Will Say We're In Love," with its achingly beautiful accompaniment, almost a counter-melody, the young lovers open to full throttle before the scene fades on the benign aunt (Madge Ryan) repeating the tune *sotto voce* in her rocking chair.

The designer, Tim Goodchild, has echoed the juxtaposition of dream and reality in sets that combine the style of early 20th century American naive painting with solid elements such as the farmhouse, a wooden windmill, a cluster of corn shoots "as high as an elephant's eye," all of which elements are nostalgically repeated on the painted backcloth. There is a marvellous sense of the open plains, of the promise of a new dawn. Which is, after all, what the musical is about. The final, irresistible "Oklahoma!" number is more than a celebration of a marriage. It heralds the birth of a new state, where people who live by the land will grow up to govern it.

The re-statement of that particular American dream is no less relevant than it ever was, with a peanut farmer at last appearing to assert himself in the White House. For the moment, though, the impact of city life is confined to its entertainment value, with a posse of cow pokes charging back home from Kansas City to perform one of the vigorous set pieces (the choreography by Gemze de Lappe is modelled on the original work of Agnes de Mille) and Mark White as a likeable Will Parker rounding it off with a spectacular flying leap.

The hoe-down at the Skidmore Ranch sees the stage suddenly taking on a richer set of colours beneath the cosy lanterns. Mr. Goodchild's ingenious arrangement of wooden flats ultimately makes way for a central view of the farmhouse and its retreating horizons as Curly and Laurey hop aboard the surrey in a shower of confetti. Christina Matthews is slightly antiseptic as Laurey but she sings prettily enough. The acting honours go to John Diedrich as Curley, who brings a robust presence and powerful voice to achieve the remarkable feat of updating Howard Keel. Mr. Diedrich slurs his vowels a lot, but misses not a trick in the musical line of his songs. Like Liz Robertson as Liza last year, he impresses as a real discovery.

In all, this is no geriatric rehash, but a youthfully cast and refreshing new look at an indisputable classic. I did not care much for the singing of Shan Stevens as Ado Annie. Her voice changes its timbre alarmingly as she goes up the register. But she acts fit to bust, as indeed does the excellent Linal Haft as the travelling salesman (a character of almost mythic significance).

The tight and imaginative direction is by James Hammerstein, son of Oscar, the exquisite lighting is by Richard Pilbrow and the musical direction by Ray Cook. Touring demands — the show sets off round the country in February —do not allow for needless extravagance in presentation, and that approach is triumphantly followed through in all departments.

Young Conductors

BY ANDREW CLEMENTS

Now a biennial event, the fifth competition for young conductors sponsored by the Rupert Foundation reached its final stage on Thursday. The 17 selected candidates had been reduced to four by rehearsals and performances with the Young Musicians Symphony Orchestra and the BBC Welsh Orchestra, and these four were then required to conduct works by Elgar, Prokofiev, Dukas and De Falla for places in the last round. Entrants for conducting prizes (though the Rupert organisers prefer to regard their awards as scholarships) are evidently denied the degree of freedom of choice allowed their pianistic counterparts. The final itself at Fairfield Hall, Croydon, presented an austere, stringent test—a performance of one of three middle-period Haydn symphonies.

The symphonies—nos 41, 46 and 47—are a *proving ground* which, one suspects, might find a number of conductors of established international reputation wanting. In the event, two were chosen to go through to this final stage—both 28, and both born in the Soviet Union. Vladimir Ponkin is a product of the Moscow State Conservatorium, with a relaxed, idiosyncratic platform manner. Israel Edelson is now an Israeli citizen who has studied in Roma, Vienna and at the Guildhall School in London, and has recently acted as assistant to Leonard Bernstein on a tour by the Vienna State Opera. He suggests more obvious orchestral control, and his baton technique is clear and unfussy.

Ponkin was required to conduct Symphony No. 47, Edelson No. 46; both symphonies that were written in 1772 and both with readily sprung interpretative traps for the unprepared novice. The BBCSO is not an orchestra that has had much experience of playing Haydn symphonies of late, yet scaled down (though retaining three double basses) it provided more than acceptable responses. The judges decided to divide the £7,500 prize money equally between the two finalists and to allow them equal shares of the engagements that accompany it. It was difficult to find fault with the decision. Both produced elegant, well modulated Haydn, though neither suggested that he was most at home in the 18th century.

The performances contrasted Ponkin's evident scrupulous attention to detail—in phrasing and dynamic and in his enviable ability to find the exact weighting for subsidiary lines—and Edelson's more obvious dynamism and overall proportioning. The first movement of no. 47 presents particular problems of impulsion and Ponkin settled for a tempo that allowed him too little opportunity to relax; the performance never really caught fire until the recapitulation. His solidity paid dividends in the finale, but it lacked the fire that Edelson found in the Presto of no. 46 and which allowed him to make the most of Haydn's reprise of the minuet in the symphony's closing pages. Earlier he had skated over many of the niceties of the phrasing of the Poco adagio and failed to extract a grateful line from the strings. Neither of them, however, showed faults which could not be easily rectified with more experience of working with top-quality orchestras.

Spoons in demand

Not surprisingly silver sales are going very well these days and Phillips managed a good total of £74,919 yesterday.

SALEROOM

BY ANTONY THORNCROFT

Typical was the £1,850 paid for a George IV inkstand by Paul Storr which had been estimated at £600-£700. But of more lasting importance were the high prices paid for early spoons.

An Apostle spoon, St. James the Greater, dated around 1528 and made in London, sold for £4,100 while a Charles II boar's head finial spoon fetched £4,400. A James I Apostle spoon, St. Jude, made £2,600.

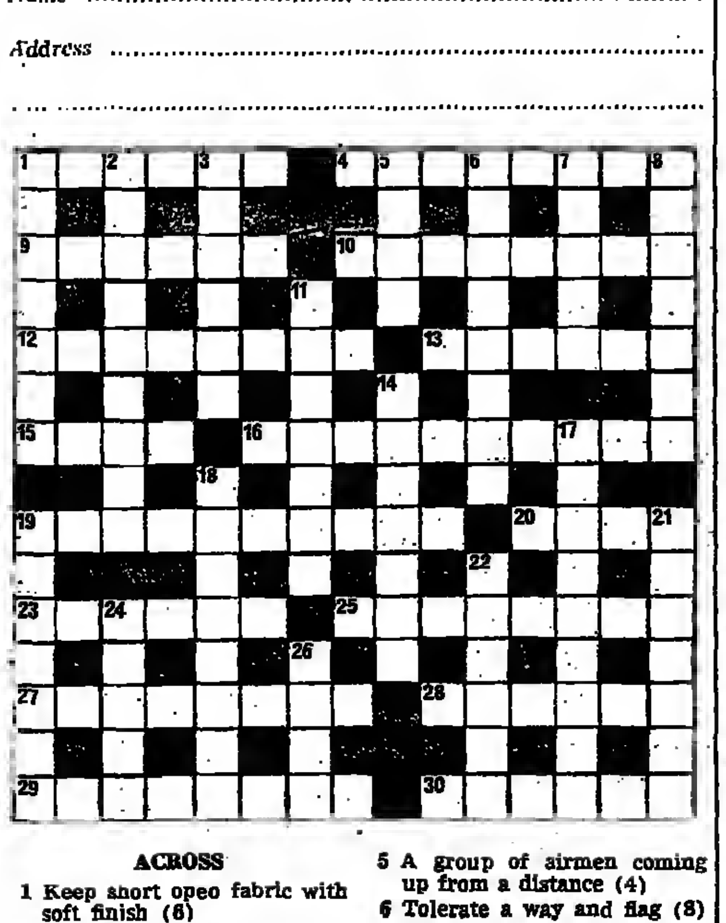
Munich School artists, whose work sold well at Christie's in London a week ago, were also in demand at Christie's in New York on Thursday. A 19th century picture sale totalled £864,268. Paintings by Adolph Eberle and Heinrich Burkel both set auction records—"The Umbrella Man" by Eberle selling for £29,545 and "The Old Mill in Winter" by Burkel for £25,000.

F.T. CROSSWORD PUZZLE No. 4,184

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



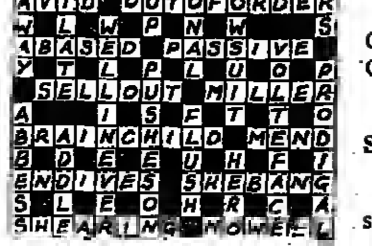
ACROSS

1 Keep short open fabric with soft finish (6)
4 Cover supporter and that's confused (8)
9 Run out rope with 24 hours for time of recompense (3-3)
10 Dealing tactfully with husband getting older (8)
12 Completely abroad, O.K.? (8)
13 Stick notice in this place (6)
15 Performer's act to direct oneself (4)
16 Piece on board shattered ringleader and uncle (4-6)
19 Commit an offence through favourite speed (10)
20 Lied about not working (4)
23 Avaricious little editor in a mixture of black and white (6)
25 Dismiss people in athletic event (4-4)
27 Relating to sports that are strong and vigorous (8)
28 Wonder if Proust is confused (8)
29 Try underground for chemical apparatus (4-4)
30 Spirit pig had within (6)

DOWN

1 Drink wine for nourishment (7)
2 Noisy reveller taking right shellfish with hesitation (9)
3 Food that is made from an ear of maize (5)
5 A group of airmen coming up from a distance (4)
6 Tolerate a way and flag (8)
7 Nimble soldier in drink (5)
8 Follows listener and turned corner (4-8)
11 Scene of operations, medical and military (7)
14 In farm as a substitute (7)
17 Stolen child slept (9)
18 Exhausted in cold and cheerless policeman's round (4-4)
19 Repeatedly call for a book display (7)
21 Hairy arch to observe on top of hill (7)
22 Draw ship from the south (6)
24 Moral significance of those converted (5)
26 Left one doctor in branch (4)

Solution to Puzzle No. 4,183

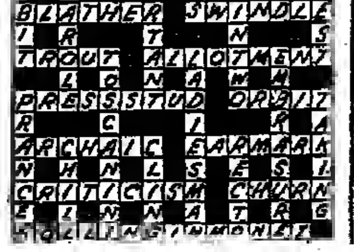


Solution and winners of Puzzle No. 4,178

Mrs. C. E. Cartwright, 5 Park Court, Pool-in-Wharfedale, Otley, W. Yorks.

Mr. M. J. Greener, 10 Broad Street, Barry, S. Glam.

Mr. B. Plaistowe, 2 Goldsmiths Close, Woking, Surrey.



TV Radio

BBC 1

9.05 am Better Badminton. 9.30 Multi-Coloured Swap Shop. 12.12 pm Weather.

12.15 Grandstand: Football Focus (12.20); Racing From Cheltenham (12.50, 1.25, 2.00); Boxing (1.10); World Cup Skiing (1.45); European Figure Skating Championships (2.20); Basketball (2.35) Butlins National Cup Final; Athletics (3.05, 4.15) Philips National Indoor Championships; Rugby League (3.20) Wales v. France for the Jean Galia Trophy; Cricket: Australia v. West Indies (4.05) The Third Test; 4.40 Final Score.
5.15 The Pink Panther Show.
5.35 News.
5.45 Sport/Regional News.
5.50 Wonder Woman.
6.40 Jim'll Fix It.
7.15 All Creatures Great and Small.
8.05 The Dick Emery Show.
8.40 Dallas.
9.30 News.
9.40 Match of The Day.
10.50 Parkinson with guests.

All Regions as BBC1 except as follows:

Wales—5.45-5.50 pm Sports News Wales. 11.50 News and Weather for Wales.

Scotland—4.55-5.15 pm Scoreboard. 5.45-5.50 Scoreboard. 9.40-10.50 Sportscene. 11.50 News and Weather for Scotland.

Northern Ireland—5.00-5.15 pm Scoreboard. 5.45-5.50 Northern Ireland News. 11.50 News and Weather for Northern Ireland.

BBC 2

11.40 am-12.30 pm Open University.
†1.55 Saturday Cinema: "Mrs. Miniver," starring Greer Garson and Walter Pidgeon.
4.05 Play Away.
4.30 That's The Way To Do It.
5.00 Horizon.
5.50 Mr. Smith's Indoor Garden.
6.15 Open Door.
6.45 Cricket: Australia v. West Indies (highlights).
7.15 News and Sport.
7.30 Top Table.
†8.05 Gangster Movie: "The Petrified Forest," starring Humphrey Bogart, Leslie Howard and Bette Davis.
9.25 Animated Conversations.
9.30 Playhouse.
10.25 Something of A Miracle.
11.15 News on 2.
11.20 Midnight Movie: "Rosemary's Baby," starring Mia Farrow.

LONDON

8.40 am Sesame Street. 9.40 The Beachcombers. 10.05 Superman. 10.30 Tiswas.

12.30 pm World of Sport: 12.35 On The Ball; 1.00 International Sports Special (Part 1) World Cup Skiing; 1.15 News; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from Doncaster; 1.45, 2.15 and 2.45 from Ayr; 3.10 International Sports Special (Part 2) American Football; 3.50 Half-time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service.
5.05 News.
5.15 Oh Boy!
5.45 Happy Days.
†6.15 Stars in Action: "The Man who Shot Liberty Valence," starring James Stewart, John Wayne and Lee Marvin.
8.15 The Faith Brown Chat Show.
8.45 Enemy At The Door.
9.45 News.
10.00 David Frost's Olympic Special—Who Goes to Moscow?
11.00 Saturday Night People.
11.45 Pro-Celebrity Snooker.
12.30 am Close: Christian Unity Week with Reverend Alec Gilmore.

All IBA Regions as London except at the following times:

ANGLIA

9.25 am Play Guitar. 10.05 Kum Kum. 5.45 pm Mork and Mindy. 6.15 Saturday Film: "Kidnapped," starring Michael Caine. 12.30 am At the End of the Day.

ATV

9.10 am A Better Read. 9.35 Play Guitar II. 10.00 Clue Club. 5.45 pm Mork and Mindy. 6.15 Saturday Cinema: "Carnival of Thieves," starring Stephen Boyd. 11.00 The Late Night Movie: "Take a Girl Like You," starring Hayley Mills and Oliver Reed.

BORDER

9.00 am A Better Read. 9.30 Play Guitar II. 10.00 Friends of Man. 6.15 pm Saturday Night at the Movies: "The Assassination Bureau," starring Oliver Reed, Diana Rigg, Telly Savalas and Curt Jurgens.

CHANNEL

5.10 pm Puffin's Pla(i)ce. 5.45 Mork and Mindy. 6.15 The Saturday TV Movie: "Marco." 11.00 Untamed World 11.30 Barney Miller.

GRAMPIAN

9.05 am Bailey's Bird. 9.30 Sesame Street. 6.15 pm The Saturday Western. 11.00 Seachd Laithean. 11.15 Feature Film: "Death Sentence," starring Cloris Leachman. 12.40 am Reflections.

GRANADA

9.30 am A Better Read. 9.55 Larry The Lamb. 10.05 Fangface. 5.15 pm Cartoon Time. 5.30 Oh Boy! 6.00 Mork and Mindy. 6.30 Saturday Adventure. Kenneth More in "The Thirty-Nine Steps." 11.00 Saturday Premiere: "In Old San Francisco." 12.45 am Second City Revue.

HTV

9.10 am Numbers at Work. 9.35 Lucan. 6.15 pm Saturday Cinema: "Operation Crossbow," starring Sophia Loren and Trevor Howard. 11.00 The Late Film: "Sitting Target," starring Oliver Reed and Jill St. John.

HTV CYMRU/WALES—As HTV West/HTV General Service except: 5.45-6.15 pm Sion A Sian.

SCOTTISH

9.10 am A Better Read. 9.35 Fantasy Island. 6.15 pm Feature Film: "Will Penny," starring Charlton Heston. 11.05 Late Call. 11.10 Soap. 11.35 Luke's Kingdom.

SOUTHERN

8.45 am Play Guitar II. 9.10 Sesame Street. 10.02 Regional Weather Forecast. 10.05 Superman. 6.15 pm "Robbery," starring Stanley Baker. 11.00 Southern News. 11.05 "Santee," starring Glenn Ford.

TYNE TEES

9.00 am Saturday Shake Up. 9.05 Space 1999. 9.55 Saturday Shake Up. 10.05 Cartoon Time. 10.15 Saturday Shake Up. 10.25 The Saturday Movie: "The Man From Atlantis." 12.20 pm Saturday Shake Up. 5.15 Cartoon Time. 5.30 Oh Boy! 6.00 Happy Days. 6.30 "The Valley of the Gwangi." 11.00 Police Story. 12.40 am Epilogue.

ULSTER

9.20 am A Better Read. 9.55 Larry the Lamb. 10.05 Fangface. 10.30 Chopper Squad. 11.30 Sesame Street. 5.00 pm Sports Results. 5.15 Cartoon Time. 5.30 Oh Boy! 6.00 Makin' It. 6.30 Feature Film: "The Valley of the Gwangi," starring James Franciscus and Richard Carlson. 9.59 Ulster Weather. 11.00 UN Human Rights Day Concert.

WESTWARD

9.20 am Look and See. 9.25 Sesame Street. 10.25 Gus Honeybun's Birthdays. 5.14 pm Westward News and Sports Results. 5.45 Mork and Mindy. 6.15 The Saturday TV Movie: "Marco," starring Desi Arnaz Jnr. 11.00 Saturday Night in the West. 11.30 Barney Miller. 11.55 Faith for Life. 12.00 West Country Weather and Shipping Forecast.

YORKSHIRE

9.00 am Beachcombers. 9.20 Rocket Robin Hood. 9.40 Logan's Run. 5.15 pm Cartoon Time. 5.30 Oh Boy! 6.00 Happy Days. 6.30 Saturday Action Adventure: "The Valley of the Gwangi." 11.00 The Saturday Night Film: "Licensed to Kill."

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave only

5.00 am As Radio 2. 7.00 News. 7.03 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock on Saturday (S). 7.30 Steve Wright. 10.00 Al Matthews. 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Cricket: Australia v West Indies (report). 5.03 Tom Edwards (S) including 6.02, 7.03, 8.03 Cricket and 8.04 Racing Bulletin. 8.07 David Jacobs with Star Sounds (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm Stop The World . . . 1.30-6.00 Sport On 2: FA Cup Special (1.30, 2.10, 2.45, 3.10, 3.30, 3.45, 3.50, 4.42 and at 5.00, 5.45 classified scores; Test Cricket (1.30, 2.20, 5.30) Third Test: Australia v West Indies; Racing from Doncaster (1.30, 1.55, 2.25, 2.55, and at 5.45 classified check; Rugby Union (1.30, 2.20, 2.50, 3.15, 3.40, 4.50, 5.25); Sports Report (5.00). 7.02 Beat The Record. 7.30 Big Band Special (S). 8.02 Saturday Night is Gala Night (S). 9.00 The New Swingle Singers (S). 9.30 The Geraldo Orchestra (S). 10.02 Sentimental Journey (S). 11.02 Sports Desk. 11.10 Bob Kilbey with The Late Show (S) including 12.00 and 1.02 2.02 am Cricket, news from Adelaide. 2.03-5.00 am You and the Night and the Music (S) including 3.02, 4.02, 5.02 Cricket.

RADIO 3

5.30 am Test Match Special: Australia v West Indies. 7.35 Saturday Overture (S). 7.55 Weather. 8.00 News. 8.05 Northern Sinfonia Orchestra (S). 9.00 News. 9.05 Record Review including Building a Library (S). 10.15 Stereo Release of music by Puccini (S). 11.15 Bandstand (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Robert Leonardy piano recital (S). 2.00 Play It Again (S). 5.00 *Jazz Record Requests* (S). 5.45 Critics' Forum. 6.35 Brahms and Prokofiev cello and piano recital (S). 7.30 "Acis Et Galatea" Pastoral héroique in three acts by Lully. Acts 1 and 2 (S). 8.15 I'll *Kill You If You Quote It!* (talk by Owen Dudley Edwards). 8.35 "Acis Et Galatea" Act 3 (S). 9.20 Hanging On In Difficult Times (talk by Dr. Alan Coddington). 9.40 Introducing The Pekinel Twins (S). 10.15 The Man That Turned Into A Statue (story by Joyce Carol Oates). 10.45 Schubert chamber music (S). 11.25 Locke Brass Consort (S). 11.55-12.00 News.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport On 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week In Westminster. 10.30 Daily Service. 10.45 Pick of the Week. 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Saturday-Afternoon Theatre (S). 3.30 Does He Take Sugar? 4.00 News. 4.02 Donald Coggan, recently retired Archbishop of Canterbury, in conversation. 4.30 Time For Verse. 4.40 Submarine (S). 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with Sir Cecil Beaton. 6.55 Stop The Week With Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 Encore. 11.00 Lighten Our Darkness. 11.15 The Philip Jones Brass Ensemble (S). 11.45 Shades of Night. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 London Country. 10.05 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00-5.00 am Join Radio 2.

London Broadcasting

7.00 AM with Steve Wood. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 Monty At Large. 9.00 The London Interview. 10.00 Jeremy Beadle—Nightline. 1.00 am Hugh Williams—Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Kenny Everett (S). 3.00 pm Afternoon Delight with Mike Smith (S). 5.00 Greg Edward's Soul Spectrum (S). 8.00 Roots Rockers with David Rodigan (S). 9.00 Nicky Horne's Six of the Best (S). 12.00 After Midnight with John Sachs (S). 4.00 am The Collection (Classical Music) (S).

CHESS SOLUTIONS

Solution to Position No. 304

(e). The game ended 1 . . . N-B6 (intending Q-R5 or if 2 PxN, Q-N4); 2 P-Q5, Q-R5; 3 P-R3, QxPch! 4 PxQ, R-N8 mate.

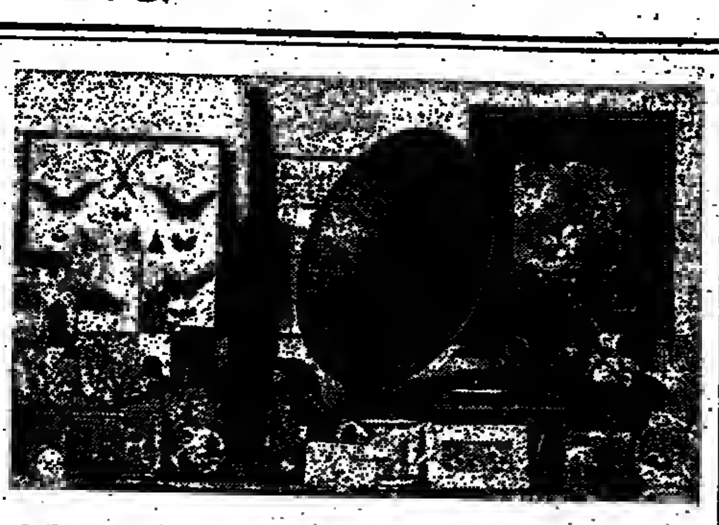
Solution to Problem No. 304

(a): 1 P-QN4, K-Q1; 2 P-KR4, K-K1; 3 P-R5, K-B1; 4 P-R6, K-K1; 5 P-R7 and 6 P-R8=Q mate. If 1 . . . K-B1; 2 R-B7, K-K1; 3 P-N5, K-Q1; 4 P-N6, K-K1; 5 P-N7 and 6 P-N8=Q mate. Not 1 P-KR4? K-B1! nor 1 R-QB7? K-Q1! and White cannot mate in six.

COLLECTING

Collectors items

BY JANET MARSH



ALTHOUGH Phillips' annual turnover of more than £30m in 1979 represents only e fraction of the total London auction market, the firm is expanding energetically. They have just announced the acquisition of the Rhinelander mansion—a Madison Avenue landmark built in the nineties in the style of a French château—to house their New York operation; and in London this week they threw a party to mark the opening of their new Collectors' Corner in premises adjacent to their existing rooms at the corner of Blenheim Street and Woodstock Street.

Until now their collectors' sales have been held in the cosily inelegant old rooms at Marylebone. Consolidating the operation and bringing it into the West End in this way reflects both the growing importance of this area of the market, and Phillips' determination to take a lead in it.

"Collectors' items" is, in its current usage, a fairly recent notion. Until a very few years ago the term might have been applied indiscriminately to miniatures, grandfather clocks, fine furniture or porcelain. As now used, however, it would exclude all these categories, though (as I discovered from Christopher Weston, Phillips' chairman this week) it is hard to arrive at a comprehensiva definition of what it *does* include.

Collectors' items are rarely, in the strict sense, antiques. They tend to be objects that were created originally with no pretension to art works. They tend also to be of industrial manufacture and of fairly ephemeral life expectancy. Thus collectors' items can include printed pot lids (which originally had no greater aim than to decorate purely practical containers), Stevengraphs, children's toys and dolls, lead soldiers, firemarks, automobile mascots, cigarette cards and postcards. These, indeed, are all among the dozen or so categories in which Phillips will in the future classify their West End series of collectors' sales.

Twenty-six sales are scheduled for the coming year, not including sales of stamps, bonds, bank-notes and old stocks (a rapidly growing field), which will account for a further 35 auctions. The unusual timing of the sales, at mid-day, suggests that Phillips contemplate attracting a new non-trade public of lunch-time collectors.

It is not entirely easy to predict the investment potential of these out-of-the-way and comparatively unexplored fields. Will the passion to collect practically anything, an almost universal social characteristic of the seventies, continue indefinitely? Will people ten or thirty years ahead still so passionately want to own old copies of Micky Mouse Weekly, Dinky toys, old car hooters and picture post-cards, as our contemporaries do?

Some areas, of course, look more promising than others. Every year Phillips publish a chart, on which their departmental specialists set out the market pace-makers of the past year, the categories to watch over the next twelve months and "Items which should continue to be a hedge against inflation." The collectors' items that were most in demand in 1979, it seems, were car mascots, photographs and cameras, phonographs, dolls, tin toys, train sets, soldiers, 17th and 18th century lace. For 1980 the "Pacemakers to watch" are automobilia, sporting memorabilia, oriental embroideries, Victorian dolls' furniture and tin toys, photographs and Russian and Chinese bonds.

Interestingly but predictably, however, none of these categories appears in the hedges-against-inflation column of the chart, where the recommended specialised subjects are things like firearms, veteran motorcycles and fine vehicles, exceptional musical boxes and African tribal art.

* * *

One reason for the growing market distinction between "antiques" and "collectors' items," and for the spectacular growth of the market in the latter, is, of course, that as conventional fine antiques have become progressively harder to find, they have moved out of the range of tha modest collector.

How real is the apparently growing dearth of good antiques? In England and France we tend to be much richer in antiques than most other countries of the world, despite depredations from abroad that go back at least to the early part of the century and the first enthusiasm of American collectors. Since then there have been successive German, Japanese and Middle Eastern invasions.

Because of London's pre-eminence as e centre of the fine art trade, however, there is always a tendency for goods to drift back home. Christopher Weston, however, has forebodings about this situation, if Britain is obliged to fall into line with the EEC countries in imposing a value added tax approaching 30 per cent on auction purchase prices. This, Mr. Weston is convinced, would be the end of London as a fine art centre: market would be driven West to New York, where, of course, the London auction firms already have their firm footholds.

Mr. Weston was also deeply anxious this week about the possible effects on our antique stocks of the current silver hysteria. "The melting down of antiques is a frightening threat to Britain's heritage," he said; "it should be illegal to scrap antique silver which is irreplaceable." He pointed out that it may also be improvident. "Most owners would do better financially to sell by auction than to smelters." He pointed out that at Phillips' silver sale last week, on the peak Friday of the silver rush, the average price of silver was still two pounds an ounce higher than the top bullion rate. He is now pressing for an official embargo on melting down antique silver without a ruling by the plate committee of Goldsmiths' Hall that the object concerned is without historic or artistic merit.

Most likely to succeed

GOLF

BEN WRIGHT

TOM WATSON

TOM WATSON is very much the centre of attention here this weekend as ha launches his 1980 campaign in the Andy Williams San Diego Open, which is played at the most beautiful municipal golf facility I have ever seen, Torrey Pines. And I have not forgotten Pebble Beach a few hundred miles further North—to which our caravan moves next week for the Bing Crosby National Pro-Am.

While Pebble Beach boasts only one 18 hole course, and most addicts who have played it would quote the words of the popular song "Nice work if you can get it," and ask: "Is there need for anything more?" Torrey Pines has a North and South course that each meanders along the highest cliffs above the Pacific Ocean in this lovely, sunny part of the world. One is so far above the beach that the mountainous surf rolling in is heard only as a mere murmur. At weekends the intrepid, or insane hang gliders soar silently but rather unnervingly above the golfers. U.S. Masters champion Fuzzy Zoeller tries to gain much needed inspiration from the fact that he won his first tournament here exactly a year ago by five shots from Watson, among others.

It is now history that Zoeller also beat Watson and Ed Sneed in the epic play-off for the Masters title in Augusta, the only one of the four major championships in which Jack Nicklaus' heir apparent made a really respectable showing. Watson missed the 36th hole cut in the U.S. Open at the Inverness Club in Toledo, Ohio, tied for 26th place in the Open Championship at Royal Lytham, where he scored 81 in the final round, and finished nine shots behind Australian winner David Graham in the U.S. PGA Championship at Oakland Hills, Birmingham, Michigan.

Just to refresh your memories, Watson won a record $462,636, averaged 70.27 shots per round to win the Vardon Trophy for the third successive year, won five of his 21 American starts, was second four times, and third once. He was also voted the game's best shotmaker and "Golfer of the Year" for the third year running.

But, judged by his own high standards, Watson was in a sense disappointing, as he explained. He had "no chance" to win the U.S. Masters until Sneed dropped a stroke to par at each of the last three holes. And after the U.S. Open in June, at which stage he appeared certain to win half a million dollars, he won only one more tournament, the Colgate Hall of Fame Classic at Pinehurst and only once more finished in the top six, tying for fifth in the 38 man World Series.

Watson is very keen to win here because he set a tournament record of 269 in 1977, in which year he went on to win the U.S. Masters and, in my opinion, the most memorable of all modern era Open championships at Turnberry. As he told me "Now that was a fine year." But Watson's most burning desire is to win this year's U.S. Open at Baltusrol. He is very conscious of the fact that his record in the four major events is in urgent need of attention. Although he also won our Open at Carnoustie in 1975, Watson has yet to win his own Open or the U.S. PGA Championship. Last year Watson took two weeks off to prepare for the U.S. Open, and now admits that it was a major mistake. "I lost all my competitive edge and under pressure at Inverness my swing completely deserted me. I shall play my way in tournaments before the major events in 1980."

This extremely likeable 30 year old is the overwhelming choice among his fellow competitors to dominate them again this year. Of the 106 players who voted, 96 forecast Watson to be the leading money winner, and 78 expect him to win the Vardon Trophy again. He also topped the poll as the man likely to make most birdies and to have the biggest percentage of sub-par holes.

Watson came second to Lon Hinkle in the Eagle Table, and second to Ben Crenshaw for putting. Only for driving accuracy, driving distance and greens hit in regulation figures did he finish outsida the top three. Incidentally Lee Trevino was an overwhelming winner of the first and third of those categories, while Zoeller is expected to be the longest hitter.

So is Watson really ready, as they say here? My spies tell me that he could not be much better prepared, contrary to expectations. The newfound delight in fatherhood and the harsh winters in Watson's native Kansas City were supposed to have blunted his competitive urge. But I understand that Watson has been working very hard on his driving and short game for some weeks with Bob Murphy at the latter's home in Florida. On Wednesday night I had dinner here with a gentleman who was one of Watson's original sponsors and his long time partner in the Crosby. I was told that on ona of many mild afternoons recently in Kansas City, Tom scored 66 against the gentleman in question and "could not have looked more ready."

The last words are from Watson in answer to my question, asking him if he felt a lot of excitement had gone out of the game with Nicklaus' apparent demise. Tom replied: "Since Jack has left the tour what we need is e rivalry like he and Arnold Palmer had to steam up some interest. Right now there doesn't seem to be any good rivalries around to talk about." Over to you Jack, or anyone else for that matter. Goodness knows I wish there was a Briton in sight ready to have a go, or even the new honorary Briton, Seve Ballesteros.

British miracles

CHESS

LEONARD BARDEN

THE LAST couple of weeks have had the air of an age of miracles for British chess results. Nigel Short beat four grandmasters and became the world's youngest international master at age 14; John Nunn tied for first prize in the ICL Hastings congress, the first home victory in this prestige event since Alexander in 1954; England drew 4-4 with the mighty Russians in the opening round of the European team finals, and in this match Tony Miles beat world champion Anatoly Karpov playing Black in the defence 1 P-K4, P-QR3.

Scaling such heights creates correspondingly more ambitious expectations which are not always fulfilled. The day after drawing with the USSR, England lost to Bulgaria. Peaks of achievement also create their own over-familiarity and transience; what can Miles, even Short, do to impress the media in future unless they reach the final stages of the world championship? Many British newspapers and TV or radio news bulletins did not rate Miles's win from Karpov as worth a mention.

For the Russian and East European public it will be different. Karpov was the USSR's 1978 sportsman of the year, and was personally decorated by Brezhnev for his success in keeping the world title against the defector Korchnoi. His defeat with the white pieces against a Westerner in an opening thought so bizarre that it does not even have a name in the textbooks will be remembered in the same way as England's soccer defeat by the U.S. is still quoted here.

White: A. Karpov (USSR). Black: A. J. Miles (England). Opening: Birmingham Defence (European team final, Skara, Sweden, 1980).

1 P-K4, P-QR3.

The round 1 pairings were announced two months before the tournament, and Miles, at home in Birmingham, decided on this antidote to Karpov's formideble command of theory. The move has been used with Black's first and second moves transposed by Basman on the Cutty Sark congress circuit, while 1 P-QR3 for White was introduced by Anderssen against Morphy. But given the setting of the present game and its result, the England team choice of "Birmingham Defence" may stick.

2 P-Q4, P-QN4; 3 N-KB3.

More forcing is 3 P-QR4, Chandler-Basman, Lloyds Bank 1979. Like most great masters, Karpov prefers solid play in round one of a tournament, but here it may not be eppropriate.

3 ...B-N2; 4 B-Q3, N-KB3; 5 Q-K2, P-K3; 6 P-QR4, P-B4; 7 QPxP (not liking 7 P-K5, P-B5), BxBP; 8 QN-Q2, P-N5; 9 P-K5, N-Q4; 10 N-K4, B-K2; 11 O-O.

After this routine play the KP becomes weak, so the more forcing 11 P-KR4 or 11 N-N3 is preferable.

11 ... N-QB3; 12 B-Q2, Q-B2; 13 P-B4?

Still 13 N-N3. Now Black gets the QN5 square as a useful minor piece outpost.

13 ... PxP ep; 14 NxP, NxN; 15 BxN, N-N5! 16 BxN.

Conceding the two bishops, a useful advantage on an open board. But if 16 B-N1, N-Q4 threatens both NxB and B-B4 followed by N-B5.

16...BxB; 17 QR-B1, Q-N3; 18 B-K4, O-O (delayed castling fits in well with Black's strategy of early wing play); 19 N-N5, P-R3; 20 B-R7 ch, K-R1; 21 B-N1, B-K2 (not PxN 22 Q-R5 ch); 22 N-K4, QR-B1; 23 Q-Q3.

This line-up against KR7 is all that Karpov can muster to counter Black's ective pieces and powerful bishops; but simple play now takes Miles to a winning endgame.

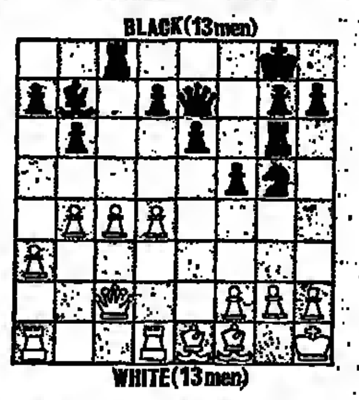
23...RxR; 24 RxR, QxNP; 25 R-K1, QxKP; 26 QxQP, B-N5; 27 R-K3, Q-Q4; 28 QxQ, BxQ; 29 N-B3, R-B1 30 N-K2, P-N4!

Miles plays the final stages accurately; the king and bishop pair will support the pawn-majority's advance.

31 P-R4, K-N2; 32 PxP, PxP; 33 B-Q3, P-R4; 34 R-N3, K-B3; 35 R-N4, B-Q3; 36 K-B1, B-K4; 37 K-K1, R-KR1! 38 P-B4 (else R-R8 ch followed by R-R7), PxP; 39 NxP, B-B3; 40 N-K2, R-R8 ch; 41 K-Q2, R-R7; 42 P-N3, B-KB6 (forcing the win of a second pawn after which the rest is easy); 43 R-N8, R-N7; 44 K-K1, BxN; 45 BxB, RxP; 46 R-QR8, B-B2; 47 Resigns. Karpov adjourned but resigned without waiting to see Miles's final move which was sealed. The last two British victories over reigning world champions were Penrose v. Tal, Leipzig 1960, and Blackburne v. Dr. Lasker, London 1899.

POSITION No. 304

BLACK (13 men)

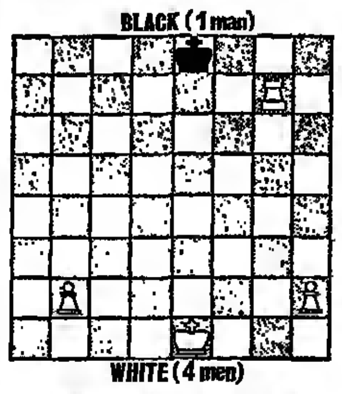


WHITE (13 men)

Winter v. Colle, 1930. A typical practical puzzle in tactics where Black (to move) has a choice of plausible tries. Should he continue (a) P-Q4 (b) N-R6 (c) B-K5 (d) N-K5 (e) N-B6 or (f) R-R3? Extra credit if you find the hidden point (which occurred in the actual game) to justify Black's choice.

PROBLEM No. 304

BLACK (1 man)



WHITE (4 men)

White mates in six moves at latest, against any defence (by B. Lindgren, Eskilston Courier 1950). The black king is trapped and White has a simple choice: (a) 1 P-QN4 (b) 1 P-KR4 or (c) a rook move. The puzzle is to decide which one of these is the only way to mate in six.

Solutions Page 14

BRIDGE

E. P. C. COTTER

IGNORANCE of basic principles proved costly in two deals from rubber bridge. Let us see where the declarer went wrong in this first example:

N.
♠ 5 3
♡ K 10 9 4
♢ J 8 4 2
♣ A 7 3

W.
♠ Q J 10 6 4
♡ 8 2
♢ Q 10 5
♣ Q 8 2

E.
♠ K 8 2
♡ Q J 6 5 3
♢ 9 7 3
♣ 10 5

S.
♠ A 9 7
♡ A 7
♢ A K 8
♣ K J 9 8 4

With both sides vulnerable, South dealt and opened the bidding with one club, North replied with one heart, and South's threa no trumps concluded the auction. Three no trumps in such a sequence shows 20 points, but South has a good 19, including three Aces, so important in no trumps, and e workable five-card suit.

West led the spada Queen, and declarer withheld his Ace until the third round. South was a very fair player—he did not stake all on the club finesse, but he played Ace and King of clubs, hoping either to drop e doubleton Queen with West or to find East with the guarded Queen. Unfortunately West retained the lead with the Queen, and defeated the contract with his spades.

The Backward Finesse would have saved the day. It is not enough for declarer to play a low club with the intention of finessing dummy's seven, because West will play his eight. The correct play at trick four is to lead the club Knave. West is forced to cover, and a club is returned from the table. The declarer is prepared to play his King if East produces a low card as an additional safety measure against Queen, ten doubleton with West, but when the ten appears all problems are over, and he makes ten tricks.

Here the backward finesse is used as a safety play, but other times it may be used when the bidding has shown that the Queen lies over the Knave, and the declarer, hard pressed for tricks, plays the Knave for the Queen to cover, and finesses his nine on the way back.

In the next example the defence was at fault:

N
♠ K 5
♡ K 3
♢ A J 10 7 3 2
♣ 6 4 3

W
♠ Q 8 2
♡ 9 8 7 6 5 2
♢ 8 5
♣ K J

E
♠ 8 4
♡ A 4
♢ K 9 4
♣ Q 9 8 7 5 2

S
♠ A J 10 9 7 3
♡ Q J 10
♢ Q 6
♣ A 10

South dealt at game to North-South and bid one spade, North said two diamonds and raised the opener's rebid of two spades to four spades.

West led the heart nine, dummy put up the King, East won and returned the four. Winning with the Queen, South led a spade to the King, and finessed the Knave on the way back, losing to the Queen. West now led another heart, hoping that his partner would ruff, but South won in hand, drew the remaining trump, lost a diamond to East, but gathered in ten tricks.

East should have led a club at trick two—the heart return is unlikely to be profitable. It must be right to set up a club trick, if possible, before the diamond suit is developed. Again, when West gets in with the trump Queen, he should not have led back another heart. A good defender, holding three trumps, plays high-low to alert his partner to his three-card holding, but East had played first the four, then the six of spades, which meant he had started with a doubleton. West should return a club, however unpleasant it seems to lead away from King, Knave.

Burmese Dancer, No. 6; Mo Seyn Nu, pose VIII, 45 in. by 34½ in. (114.3 cm. by 88.1 cm.)

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

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Saturday January 26 1980

The pains of disinflation

DISILLUSION is a painful experience, and disinflation, as the Government now prefers to call it, is clearly going to be another. At the moment we are suffering from both these unpleasant readjustments nationally and internationally. Detente has gone the way of demand management—now seen as a way of buying temporary well-being, with a heavy bill to follow. When both bills arrive at once, and it is necessary both to disinflate the economy and strengthen your defences at the same time, economic management becomes a blinding headache, expressed this week in a series of grim Ministerial speeches.

Unpleasant

What has become so unpleasantly clear is that there is a lot of hard spadework to be done before the promised rewards of the economic counter-revolution can become available. Cutting taxes seems as desirable to the voters of Britain as it does to the voters of California; but cutting the corresponding expenditure could be extremely difficult even if it were not for the demands of defence. As this Government has learned very rapidly, cutting taxes before you have cut expenditure creates far more problems than it solves; the subsequent need to fund borrowing through higher interest rates, and cut it through higher charges and local rates, tends to rob Peter twice over to pay Paul. That is why Ministers now talk of austerity rather than of economic liberation.

This negative message tends to sound depressing, but it does contain a promise which ought to encourage the stout-hearted: the Government now has a clear and consistent monetary and economic plan instead of a set of slogans. The drive to cut both spending and borrowing will continue for the forseeable future, without regard to the state of the business cycle: but while the cycle is turning down, depressing revenue and adding to the burden of welfare payments, the underlying cuts may be offset for a time.

As a statement of management philosophy, this is surely exactly right, although it has been seen by a few City hawks as offering an excuse for inadequate stringency, and continues to scare many economists as being too severe. Strategy is a long-term matter, and should not be a prey to the business cycle, either in the traditional sense of waiting until the time is ripe—there is never jam today—or in the new Puritan sense of trying to suppress the cyclical swings in the Government's own finances.

However, it is one thing to adopt a philosophy, and another to translate it into appropriate action, and the market will remains the best guide as to whether the Government is getting it broadly right. Excessive borrowing leads to high interest rates, a weak balance of payments and, paradoxically, a strong pound, as investment funds are attracted by high returns. All these symptoms have been visible recently.

At the moment the markets are suffering the onset of the Government's most determined attempt to reduce the rate of monetary growth, with large and expensive funding creating an acute shortage of money; this indigestion seems likely to continue for some time yet, and while it lasts the market is likely to be highly vulnerable to bouts of gloom about industrial disputes, trade performance, U.S. interest rates and its other normal sources of bear sentiment.

The real test will come later this year. The Government and the local authorities should by then have completed the process of balancing their books by raising charges, duties and local rates (so adding to the rise in the cost of living). It should then be possible to finance the borrowing that remains at declining interest rates—probably slowly declining—even while continuing to reduce the rate of monetary growth. At the same time the balance of payments should begin to look healthier, and sterling should be steady rather than tending to rise in feverish bouts, interrupted by nervous relapses. Such an outcome is hardly likely to provoke dancing in the streets, but it should provide the steady and improving background against which confidence can revive and long-term plans be laid.

Steel strike

Meanwhile, there is some treacherous territory to be crossed before we can reach even this austere promised land. The steel strike remains deadlocked, as the Government continues to insist that the time is past when reality could be administered in homeopathic doses, and urges the industry towards a quick, painful cure and a real recovery.

The outcome here, which is not likely to emerge without a struggle, since the stakes are so high, will not only set the tone for other industries, but may determine whether we will face a long and damaging struggle to impose realism on wage bargaining, or a relatively quick if traumatic one. Overseas not only the international political crisis, but the international monetary situation remain worrying.

All this is a challenge to the Government's tactical skill, and one may wistfully wait to see any sign on the home front of the flair which has been evident in foreign affairs; but on neither front is there any reason to question the Government's determination.

The Rhodesians are willing but suspicions are deep

BY BRIDGET BLOOM, Africa Editor

A journalist colleague, based in London, last week phoned Government House in Salisbury and talked to one of the senior advisers to Lord Soames, Britain's Governor. Half way through his conversation, the Salisbury international operator interrupted, not for a technical matter related to the call but to impart his own pungent views of the subject being discussed.

The British administration here is dependent on the Rhodesian administration even in small things — its communications, to give but one example. Officials say there is more coded traffic between here and London than between London and any of the 100 or so British missions abroad. But in other areas the problems may be more difficult to overcome. Earlier this week, an African politician from Mr. Mr. Robert Mugabe's party went to Government House and clearly failed to find satisfaction about his complaints that the Governor was not acting sufficiently independently of the Rhodesians. Later, he said that he "couldn't help remembering that Government House was a prison for Sir Humphrey Gibbs"—the last Governor of Rhodesia who was loyal to Britain when Mr. Ian Smith declared UDI in 1965.

International judgment

Are Lord Soames and his tiny staff becoming prisoners of the Rhodesian authorities? The question preoccupies many people here, as well as those outside Rhodesia. It is clearly central to the success or failure of the Thatcher Government's bold attempt to bring Rhodesia to legal independence through free and fair elections. For if the international community—soon to be represented by around 200 observers and their staff—do decide that Britain is partisan, the whole effort could be stalemated.

Several charges of bias have been made against Lord Soames in the past few weeks. Those which are said to show him biased in favour of the Rhodesians (by which is generally meant the white administration plus Bishop Muzorewa's United African National Council) include:

● The decision to allow a continued if officially limited South African presence at Beit Bridge, which caused an uproar in some Commonwealth and African countries.

● The widespread use by the Rhodesians of the security force auxiliaries. These forces, officially said to number some 16,000, were orginally recruited as a semi-private militia by Bishop Muzorewa and his party, the UANC. Though formally taken over by the Rhodesian army in July last year, they are deployed in the rural areas to "protect" tribesmen and are not being effectively monitored by the Commonwealth force. The nationalist parties counter Rhodesian allegations of guerrilla intimidation with charges that the auxilaries are still acting for the UANC.

● The deployment of regular Rhodesian troops to put down ceasefire violations.

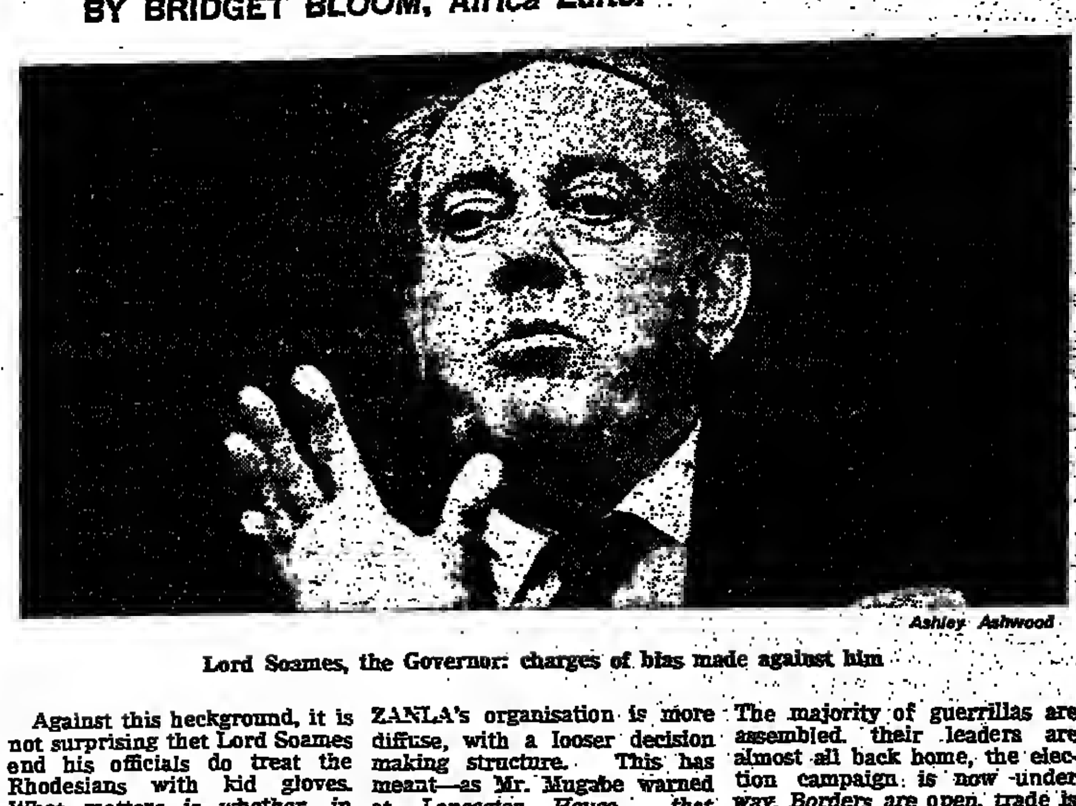
There are a number of associated criticisms, of which perhaps the most serious is the failure to lift martial law, under which some 5,000 people are said to be detained, and the accusation that the Government has made very little effort to change the obvious bias of the media here against the two guerrilla parties in general and ZANU (PF) in particular.

The charges laid at Lord Soames' door by the Rhodesians are publicly muted, though the Chief Justice openly condemned the Governor's decision to commute 11 death sentences and Bishop Muzorewa continually alleges that the Governor is doing nothing to curb alleged breaches of the Lancaster House agreement by the Patriotic Front parties.

That many of the charges against Britain are greatly exaggerated or include a strong element of cant is perhaps inevitable in a situation as fraught as that in Rhodesia, where nine African parties are competing for power against a background of the tenuous end to a seven-year guerrilla war. But some aspects of the charges, in particular that Britain leans too heavily towards the Rhodesians, should surprise no one who has read (or who signed) the Lancaster House agreement nor accepted the implications of the fact that the Government which has pulled off this settlement is a British Conservative Government.

At Lancaster House two cardinal points were established which were bound to derogate very substantially from those "full executive and legislative powers" with which Lord Soames is formally endowed. The first was that the British administration would operate through the existing Civil Service, and would use the Rhodesian police to maintain law and order. The tiny British Foreign Office team put in to implement Britain's part of the agreement (all key decisions are taken by five officials, of counsellor rank, under the leadership of Sir Anthony Duff, deputy-under-secretary to Sir Michael Palliser) does not monitor the Rhodesian Civil Service. It simply hopes for (and, using kid gloves, on many issues does get) its co-operation. But the machine is bureaucratic. It can delay or obstruct decisions and on occasion clearly does.

Only relatively minor incidents see the light of day. For example, two Press facility trips—to see "surrendered" Mozambican soldiers and to meet the auxiliaries—have been arranged in the last week by the Rhodesian Ministry of Information without the knowledge or consent of the Governor's Office, which was clearly embarrassed by them.



Ashley Ashwood

Lord Soames, the Governor: charges of bias made against him

Against this background, it is not surprising that Lord Soames and his officials do treat the Rhodesians with kid gloves. What matters is whether, in doing so, they are prejudicing the chances of as free and as fair an election as possible. On the South African question, for example, Britain's chief public defence is that the contingent of troops at Beit Bridge, officially said to number no more than 150 on the Rhodesian side, could not possibly affect the election.

Privately it is admitted that the Rhodesians and South Africans insisted that the troops should stay there (as a "confidence builder for the whites"). The implication is that in such a finely balanced situation, it was rather less harmful to the whole exercise to offend the PPFF and their supporters than risk the non-co-operation of the Rhodesians at a critical stage.

The linked accusations that the British are biased against Mr. Robert Mugabe and ZANU, and that they have not insisted that the SFA's be controlled in the rural areas, present a somewhat different problem. British spokesman have recently made it quite clear that they believe Mr. Nkomo's ZIPRA forces are far better disciplined and generally more inclined to abide by the ceasefire than ZANLA.

Numerical factor

Even though, given the disparity in size between the two groups (there are three times more ZANLA in Rhodesia than ZIPRA) the number of reported incidents does not appear to substantiate the claim, there are other differences between the two parties which could explain their differing reactions to the ceasefire. ZIPRA for example, mirroring Mr. Nkomo's more centralised style of leadership as well as his greater pragmatism is organised on much more conventional hierarchical military lines, while ZANLA's organisation is more diffuse, with a looser decision making structure. This has meant—as Mr. Mugabe warned at Lancaster House — that ZANLA has found it more difficult fully to instruct its guerrillas about ceasefire procedures. Also the party's organisation and to a degree its morale has been seriously affected by the death at a critical time of its army chief, General Josiah Tongogara. These factors tend to be discounted not only by Rhodesian but by British officials and the reason is undoubtedly partly political. For the Rhodesians, Mugabe is a Marxist bogyman who will ruin Rhodesia overnight. The Tory Government in London may take a rather less drastic view, but no one could pretend that it would not prefer to have some moderate coalition of, for example, the Bishop and Mr. Nkomo and whoever else will join them installed as the future government of Zimbabwe.

They are thus unlikely to make a positive attempt to balance in ZANU'S favour the built-in advantages which Bishop Muzorewa now enjoys. But this is not to say that Lord Soames and his officials, including the Election Commissioner and his staff, will not bend over backwards to make the mechanics of the election as free and fair as possible. To do otherwise (for example to ban ZANU from the election if it does not curb the alleged ceasefire violations) would be to bring down the wrath of large sections the international community and defeat the aim—to put it cynically—of getting Rhodesia off Britain's hands once and for all. Neither does it mean that, despite all the problems and allegations, Lord Soames, administration has performed badly in its first month. Its task has been horrendously difficult and in many respects its achievements are astonishing.

The ceasefire violations remain relatively minor, with less than 50 people killed since January 4 (against a daily average of 40-50 before then). The majority of guerrillas are assembled, their leaders are almost all back home, the election campaign is now under way. Borders are open, trade is beginning to resume with neighbouring states; refugees are returning. All that would have seemed an impossible dream at the beginning of the Lancaster House conference only four months ago.

There are immense problems ahead. Among the most frightening is the possibility that the losers in the elections, whoever they are, will not abide by the result. All the combatants to the war still have their arms.

Three-party battle

"No one at this stage wants to take bets on who will win the election." Though nine African parties are contesting, it is clear that the major battle will be between the Bishop's UANC, Mr. Mugabe's ZANU (PF) and Mr. Joshua Nkomo's party, formerly ZAPU but now registered—in a move which may well confuse voters and win Mr. Nkomo more votes than he might otherwise get—as the Patriotic Front. Had the PF, which negotiated at Lancaster House as an alliance, been able to fight the elections as a united party, it would almost certainly have won a majority of the 80 African seats. The overwhelming African mood here, perhaps especially in the rural areas many of which have been so devastated by the war, is for peace. Bishop Muzorewa—who got over 60 per cent of the vote at the last election—did not bring peace, and many Africans believe that a second vote for him would fail to bring peace again.

But Mr. Nkomo and Mr. Mugabe's parties are competing across the country. In these circumstances, many observers believe, no party is likely to get the 41 seats which would be needed to give it an overall majority. The 20 white members (all likely to belong to the Rhodesian Front Party of former Prime Minister Mr. Ian Smith) are not allowed under the constitution to combine with an African minority party. Thus the critical question is likely to be which black parties will combine to form the governing alliance. The most probable outcomes are a resumption of the Patriotic Front alliance, or an alliance which would involve the bishop and Mr. Nkomo and possibly one or two of the smaller parties. Mr. Nkomo could well turn out to be kingmaker, though his chances of winning the largest number of seats are thought to be slim, given that his major support is believed to come from the Matabele, who comprise about 17 per cent of the population.

But so much is uncertain. Mr. Nkomo and Mr. Mugabe, who is not yet in Rhodesia, have not met since Lancaster House. Despite city rallies, the parties still have to co-ordinate their campaigns across the country, and there are still five weeks before the voters go to the polls.

There is a great deal that could go wrong between now and the three days over which the election will be held. It would be idle to expect that the campaign will not be violent. Seven years of war, and many years before that of political infighting between African parties, together with the huge rewards at stake in what could be the first and last general election here suggest an inevitable increase in violence. There have already been four political attacks, one a killing, in Salisbury.

The accusation of bias against Britain could well increase, as tempers shorten and polling day gets nearer. The police—whose conduct has been surprisingly praised by the African parties—will be increasingly stretched, and the ceasefire, if broadly successful, is bound to remain tenuous. The chief danger before the election is probably that the Governor will find himself forced to acquiese in a tough law and order campaign by the Rhodesian forces, thus putting at risk electoral freedom and an ultimate settlement.

Yet for all the problems, there is a real sense among both black and white leaders here that the election will be held and will be held fairly. The overriding reason is that, behind the rhetoric, there has been the political will on all sides to make the settlement work. Lord Soames, and the British administration, would be lost if that did not exist. The leaders of the black and white parties, of the rival armies, the police, the Civil Service and business communities here—as well as ordinary blacks and white—may be mutually suspicious and certainly are, many of them, fearful for the future.

But all Rhodesians are war-weary. So are the neighbouring states and their allies. The best hope for the future is that all those involved will realise, that it is too late, and too costly, to return to the past.

Letters to the Editor

Allowances

From Mr. D. Lindsay

Sir, — Mr. Frank Field (January 21) wants the Government, i.e., taxpayers generally, to give me, as the parent of three children, a generous cash benefit. Cannot he understand that I don't want, and have never sought, such a cash benefit, and I am sure there are millions of parents like me?

What parents do want, however, is a fair system of taxation that recognises that, due to the costs necessarily incurred in bringing up children, parents supporting children have nothing like the same taxpaying capacity per pound of income earned as have those who are not supporting children. The child tax allowance, which Mr. Field's friends abolished—without noticeable popular support, if I recall—existed for the very purpose of achieving a measure of graduation in the tax charged between those supporting and those not supporting children. Indeed, the 1954 Royal Commission not only approved the child tax allowance; it proposed improvements that would have moved us towarsd the desirable "quotient" system of family taxation. But its recommendations were totally ignored by the "we know best" Governments that followed.

No wonder, therefore, that the family has become thoroughly disenchanted with Governments and has sought to go its own way, as I attempted to illustrate in my previous letter.

David G. Lindsay

36, Orchard Coombe,
Whitchurch Hill, Reading,
Berks.

Expenditure

From the Director of Economic Affairs, National Federation of Building Trades Employers

Sir,—There is a chilling and alarming logic about the almost sanguine way in which your Lombard correspondent (Jan. 23) foresees that "thanks to North Sea oil and the consequent rise in the exchange rate, producers and consumers are likely to have a different experience (in this recession)." "Manufacturing," he goes on to state, "could certainly face as bad a time as in the mid-1970s, and possibly even worse. But consumers should be better placed."

I do not deny the economic logic and accuracy of this prediction. Perhaps it is unfair to pick on a newspaper which has led much of the serious debate about the proper use of our North Sea assets. Furthermore, your correspondent was doing no more than relating what seems likely to be the outcome of our present non-strategy on this issue. His coupling, however, of this observation with the later comment that ". . . the early 1980s . . . should not be particularly painful for most people" does, maybe unintentionally, have a complacent ring of fools' paradise about it.

Obviously, there is little if anything that Government policy can do directly to alter the flow of funds from the wages and profits earnt by private individuals from North Sea oil activities into expenditure, say, on imported consumer goods, other than its current policy of switching from direct to indirect taxation and, in more drastic circumstances, import controls. There is, however, a great deal which it can legitimately do with the flow of funds through the public sector from taxes upon North Sea oil activities towards public expenditure upon goods and services. While ideologically and theoretically one might feel inclined towards libertarian solutions reality forces one to accept that no such distribution of oil dividends to the people of UK Ltd is likely to take place and that one must therefore scrutinise carefully the uses to which these revenues are being put within the public expenditure planning machinery.

Given the inevitably catastrophic long-term implications of the likely combination of consumer strength and manufacturing weakness outlined by your Lombard correspondent for the early 1980s, we surely must look very hard at how well public expenditure planning is using its directional powers to re-invest the proceeds of the North Sea oil success back in infrastructure which will strengthen the manufacturing and commercial sectors.

What is the alternative? The use of the windfall gain of large petroleum revenue tax revenues whose limited time-scale effectively makes them a capital asset rather than a reliable stream of future income, in order to finance a growing proportion of current expenditure geared to the short-term tastes and priorities of a society where, if your Lombard correspondent is right in his forecast, the consumer will remain king, industry the Cinderella and the approaching collapse unnoticed until too late.

Jamie Stevenson.

32, New Cavendish Street, W.1.

Benefits

From the Secretary, Moil Users' Association

Sir,—The possible reduction in the numbers of sub-post offices from 21,000 to 18,000 is not likely to cause the problems envisaged by the Sub-Postmasters Federation (January 22).

The provision of Post Offices within Great Britain is generous in comparison with that of most other modern nations. Belgium is probably the state most comparable to Great Britain and according to evidence published by the Post Office review committee it had one post office for every 4,400 inhabitants and one every 14 square kilometres while the UK had one for every 2,200 inhabitants and one every 10 square kilometres. The possible changes would still leave Great Britain far better provided than Belgium and most other modern states.

As Michael Corby has pointed out "counter work is heavily dependent on the public sector and much of it is overdue for rationalization." The Post Office has provided the nation with a good service in an area fraught with problems — theft, many complex and rapidly changing types of transactions, the difficulties of recruiting staff to the smaller outlying offices, and declining business. It would surely be unreasonable to expect it to continue maintaining an outmoded financial distribution system after the nation has invested in modern financial distribution methods. Perhaps critics of the possible changes could be more positive about the problems of those receiving social benefits. If a saving of 30p a transaction is possible, that would make an extra 30p a time available to distribute as social benefits, which can hardly be "looking at things from a purely monetary point of view without regard for the social consequences."

J. Crisp,

Tress House,
3-7 Stamford Street, SE1

Representation

From the managing Director, Coo Press.

Sir, — The deputy director-general of the Confederation of British Industry, while pointing out (January 16) that the CBI encourages membership of small firms through its smaller firms directorate, does not tackle the problem which is crucial to the interests of the smaller firms. What happens when the interests of the smaller firms conflict with those of the giants of industry, as they must inevitably do on occasions?

Smaller firms like ourselves fear that not only will they be discarded where there are such conflicts of interest, and this would not be unreasonable, but fear more that their presence in the membership would serve to strengthen views which are actually in opposition to them. The same applies to almost all organisations with a wide spectrum of companies.

The president of our local Chamber of Commerce comes from a giant international firm who at any moment could find both himself and his business transferred to another industrial centre. He shares very little in common with a company like us with local roots who would find it very difficult to relocate our offices.

Nowhere is this more crucial than in the discussion of local planning, where for the larger companies their interests in influencing local authorities may be diametrically opposed to those of smaller companies. Only if the CBI can resolve this conflict would it seem to me that they could be of material benefit to the smaller companies.

Colin A. Osman.

19, Doughty Street, WC1.

Consumers

From the Chairman, Commercial Legislation Monitoring Group

Sir,—Your report (January 24) on Mrs. Oppenheim's reply to the recent submission on consumer protection costs unfortunately inverts her acceptance of our major proposal. What the Minister in fact said was: "Costs of consumer protection legislation must be weighed against the benefits; only when the benefits outweigh the costs should legislative measures be introduced."

The acceptance of this principle is, we believe, an innovation in consumer legislation thinking and is entirely in the interests of consumer and taxpayers alike.

Harry Shepherd.

Michael House,
Baker Street, W1

Food

From Mr. E. Ronay
Egon Ronay Organisation

Sir,—Mr. S. Goodman argues (January 19) that airlines are not contractually obliged to provide food or drink, ergo I need not be concerned about food on airlines. Having offered what seems a jocular nonsequitur, he suggests, in jest, that I should advise my readers to take their own sandwiches.

Some do so anyway. But seriously, I am all for stopping food—not drink—service except on very-long-distance flights, say, 8-10 hours or more. I have always advocated that a choice of inventively assembled, excellent quality food packets for various tastes and pockets should be available near boarding gates, preferably by competing suppliers. The saving, including heavy overheads, should be passed on to travellers.

I have no doubt that this will be routine before long and replace the currently endured force-feeding-type airline meals.

Egon Ronay.

Greencoat House,
Francis Street, SW1.

Creditors

From the Credit Manager, AFA-Minerva (EMI).

Sir, — How refreshing it was to read Mr. Stern's letter; certainly for long enough the chips have been stacked against the unsecured creditor.

Until industry really gets to grips and realises that the supply of goods and services in real terms is, in fact, an injection of hard cash into its customers' business, then the full realisation of the costs involved will never be appreciated.

If management took less comfort from profits before interest, and looked in real terms at the ratio of interest to gross margin and appreciated the erosion extended credit makes to the bottom line in accounts, then maybe this would bring the sales manager and credit manager into closer rapport at the point of quotation. Perhaps we will then move towards the day when the ability to obtain credit will be dependent upon the ability to pay and to pay on time, and any defalcation on terms of payment will carry a penalty, such penalty to be enforced as part of the law of the land.

E. S. Wareham.

Security House, Grosvenor Road,
Twickenham.

A businessman's guide to living costs

By DAVID CHURCHILL

THE METEORIC rise of the cost to the international businessman of staying in London is confirmed by the latest Financial Times survey of living costs for businessmen around the world.

Four years ago London was 38th in the world rankings of the most expensive cities for the businessman travelling overseas. But the increase in the value of sterling and the soaring cost of London's hotel accommodation saw it rise to 14th place three years ago, 11th last year and to top of the list of 66 cities.

Last year Tokyo was the most expensive city and Peking the cheapest. While Peking still remains the cheapest place for the businessman to stay, Tokyo has eased to 9th place.

The survey was compiled with the help of FT correspondents around the world and is based on more comprehensive data for each country available in the FT book, Living Costs Overseas—A Guide for Businessmen, price £48.

Copies are available from the Book Sales Department, Financial Times Business Publishing, Minster House, Arthur Street, London EC4R 9AX.

HOW PRICES COMPARE IN STERLING

City	Exchange Rate (units per £)	Index	B&B	Restaurant Dinner	House Wine	Whisky	Beer	Snack	5 km Taxi	Hotel Lunch	Dinner a la Carte
London	£1	100	65.50	11.00	4.00	0.45	0.50	2.50	2.50	7.00	12.00
Jeddah	7.09	97	62.06	13.40	0.85	0.85	0.85	3.53	2.12	10.58	13.40
Paris	8.90	96	53.93	15.73	2.81	1.69	1.12	3.37	2.81	11.80	16.85
Frankfurt	3.80	91	47.63	14.47	5.26	2.37	1.32	3.16	2.37	10.53	15.79
Brussels	61.35	90	45.64	14.67	7.50	1.63	1.39	4.89	2.28	7.42	16.30
Abu Dhabi	7.92	90	50.44	11.36	6.31	1.16	1.16	3.53	1.26	7.58	15.15
Dubai	7.92	88	47.98	13.89	6.31	1.39	1.20	3.79	1.52	6.94	13.89
Manama	0.80	88	48.88	9.38	4.38	0.94	0.81	4.38	1.25	8.13	18.75
Tokyo	521.75	84	38.52	19.17	5.75	1.92	1.15	4.79	2.68	6.90	19.17
Moscow	1.38	84	56.52	10.87	2.90	0.87	0.51	1.81	1.45	5.07	7.25
Muscat	0.727	82	47.39	9.63	6.88	0.89	0.96	3.42	2.75	6.74	9.63
Nassau	2.11	81	48.81	11.85	4.26	1.30	1.23	2.18	2.18	3.32	10.90
Geneva	3.52	80	45.45	9.09	2.56	2.27	0.85	3.98	3.13	7.39	12.78
Kuwait	0.59	79	50.00	11.86	0.47	0.47	0.47	3.39	2.54	5.93	11.86
New York	2.11	76	42.18	11.85	3.55	1.42	0.95	2.84	2.13	7.82	13.03
Stockholm	9.01	75	38.84	13.87	4.55	1.03	1.44	2.33	2.77	4.99	16.65
Copenhagen	11.20	74	37.45	12.50	4.46	1.25	1.34	4.02	3.57	8.04	14.28
Vienna	27.35	70	40.58	6.40	1.83	1.83	1.46	2.19	2.19	8.41	11.88
Houston	2.11	69	39.45	10.43	4.03	1.07	1.18	2.25	1.90	5.81	10.07
Amsterdam	4.22	68	38.63	14.22	3.08	1.01	0.59	2.37	2.37	7.11	13.03
Rio De Janeiro	65.44	67	38.20	7.64	3.42	1.53	0.23	2.29	0.76	7.64	10.70
Helsinki	8.05	66	31.68	12.42	4.97	1.49	1.24	2.48	2.48	5.59	13.66
Chicago	2.11	65	37.68	9.48	2.84	0.95	0.71	2.13	1.66	4.26	11.85
Seoul	1013.15	64	28.44	10.90	6.63	1.35	1.47	4.74	0.59	4.74	14.22
Oslo	10.69	64	27.41	11.69	7.02	1.50	1.12	3.74	2.81	5.33	14.03
Luxembourg	61.35	62	30.15	13.04	1.30	1.22	0.90	3.59	1.43	5.70	16.30
Tel Aviv	66.00	58	32.70	9.09	1.14	0.68	0.38	1.97	1.06	7.11	11.85
Athens	79.06	58	38.58	5.06	0.88	1.01	0.57	1.26	0.88	5.88	6.89
Los Angeles	2.11	57	34.60	7.58	2.84	0.95	0.71	1.90	2.37	3.79	7.11
Manila	15.51	57	22.15	6.45	9.67	1.29	0.32	1.93	0.64	2.90	12.89
Hong Kong	10.58	56	33.51	7.56	2.83	0.66	0.52	1.42	0.66	5.20	8.51
Sydney	1.94	56	31.62	9.02	2.58	0.51	0.51	2.06	1.55	5.67	10.31
Singapore	4.61	55	31.95	7.16	4.77	0.98	0.51	1.52	0.65	2.71	7.05
Amman	0.63	54	33.17	4.05	1.19	1.11	0.95	1.83	0.71	4.60	9.13
Madrid	140.75	53	27.82	6.04	1.21	1.71	0.46	2.13	1.07	8.53	10.66
Birmingham	£1	53	30.00	5.50	3.25	0.41	0.43	2.00	2.00	4.75	10.25
Montreal	2.51	53	25.50	10.96	3.19	1.00	0.60	1.39	2.79	5.98	11.95
Jakarta	1319.00	52	29.64	7.58	3.79	0.98	0.76	1.52	1.14	3.98	6.82
Cairo	1.45	51	24.48	8.28	4.83	1.21	0.69	2.07	0.69	3.79	10.34
Warsaw	66.00	51	27.26	4.54	5.30	1.82	0.61	2.27	0.61	3.79	6.06
Rome	1755.05	50	29.05	8.54	0.85	0.46	0.34	0.99	1.42	6.83	8.54
Budapest	44.17	50	29.43	3.85	0.68	1.36	0.68	0.48	0.90	4.07	10.64
Kuala Lumpur	4.63	49	24.95	3.89	9.72	0.86	0.65	0.97	0.43	2.91	4.86
Karachi	20.78	49	33.45	2.17	1.20	1.35	1.20	0.96	0.48	2.17	2.98
Dublin	1.02	48	26.72	8.58	2.21	0.49	0.44	1.96	1.57	5.64	8.33
Tunis	0.84	47	24.40	7.74	1.19	1.55	0.57	3.81	0.71	5.24	7.74
Bangkok	42.86	46	29.93	5.13	0.82	1.05	0.82	1.17	2.33	3.59	3.53
Khartoum	1.73	46	20.29	6.36	8.67	1.16	0.87	1.59	0.58	3.76	6.07
Panama City	2.11	45	22.51	5.69	2.84	1.18	0.71	1.42	2.37	3.79	9.48
Port of Spain	5.07	42	25.84	3.94	1.97	0.39	0.24	0.94	1.38	3.55	7.10
Johannesburg	1.75	42	24.17	6.00	2.00	0.31	0.37	1.49	2.29	5.23	6.57
Toronto	2.15	42	21.83	7.97	3.19	0.70	0.44	1.19	1.79	3.39	7.57
Mexico City	48.15	42	27.10	3.63	1.45	1.14	0.52	1.25	0.83	2.49	4.15
Vancouver	2.51	41	23.41	6.77	2.39	0.60	0.50	1.20	1.79	2.99	6.57
Damascus	2.11	41	26.07	3.79	0.95	0.83	0.83	1.42	1.42	2.84	4.74
Lima	506.50	41	25.08	3.75	1.28	1.38	0.34	0.99	0.69	3.36	5.92
Dacca	34.54	39	26.36	1.74	1.01	0.87	1.01	0.72	0.72	2.61	3.48
Auckland	2.19	39	23.06	6.85	0.91	0.34	0.23	1.48	1.60	3.88	6.85
Dar-es-Salaam	17.49	37	16.58	4.29	7.43	0.86	0.60	1.71	1.71	2.57	4.29
Rabat	8.06	37	18.24	4.34	1.24	1.49	0.43	2.48	0.99	5.58	6.82
Nicosia	0.75	34	21.25	3.33	0.53	0.67	0.53	2.00	1.00	3.67	4.33
Lisbon	106.80	33	17.79	4.68	0.70	1.22	0.56	1.22	0.66	4.03	5.62
Belgrade	39.76	30	14.46	3.77	0.88	0.75	0.30	1.26	1.76	6.29	7.54
Colombo	32.76	30	14.50	2.59	6.10	0.53	0.46	0.61	0.61	2.14	2.75
Salisbury	1.46	25	11.54	4.79	2.74	0.68	0.27	0.96	1.37	2.23	4.79
Peking	3.206	24	16.06	2.50	0.78	0.12	0.28	0.78	0.78	0.78	2.50

A) The index is based on three nights bed and breakfast, two a la carte dinners in a first class international hotel, one dinner in an average restaurant, three bottles of house wine, one hotel lunch, two snack meals, one 5 km taxi journey and five whiskies.

B) The exchange rates are based on the Financial Times published list on November 13 1979.

C) There are the usual anomalies relating to the use of alcohol. Soft drinks have been substituted for wine and spirits in Pakistan, Kuwait and Saudi Arabia.

D) Sixty-six cities have again been used as the sample to show living costs around the world. Last year London was ranked in eleventh position but this year it is top, mainly due to the high cost of bed and breakfast. London also appears to have the largest selection of first class/international category hotels. It is worth bearing in mind that there are many good hotels adequate for the travelling businessman which are not as expensive. Moscow has made the largest jump — from 31st last year to eighth position. Tokyo has slipped but would have been higher had the city's bed and breakfast been more in line with the top three.

Weekend Brief

Why the television companies can relax and spend the weekend celebrating . . . Action Man's latest prize fight . . . and briefing the law world

A question of contracts

The sighs of relief in Britain's commercial television boardrooms this week came as a massive chorus in response to the Independent Broadcasting Authority's decision to leave untouched the basic structure of ITV. There has been a bit of wincing about the high basic rental costs of the new contracts, but what is that compared with the havoc a rearrangement might have caused.

Even Trident Television, which at first glance seemed on the brink of having to choose between its Yorkshire and Tyne Tees franchises was given later comfort from the IBA—there, but only there, is the Authority willing to accept a holding company with two subsidiary franchise areas. Local sources suggest that Tyne Tees is likely to be the most fircely fought over contract area, but any winner would have to co-operate closely with the Yorkshire contractor anyway, thanks to transmitter siting so will the IBA stick the present arrangement?

The continuation of the present order in franchise areas, with minor modifications, reflects the stabilisation of policy in that other hotly debated area, the Fourth Channel. Mr. William Whitelaw's proposals for an IBA controlled system were only recently placed in doubt by Cabinet worries over the indirect cost to Government in the form of lost revenue from the Levy on TV company profits. Now I hear the path has been cleared and the Bill will indeed appear in spite of considerable delay. It will, however, be a much shorter piece of legislation than many believe. Those looking for a mass of small print, like those seeking a revolution in the IBA franchise system, are in for a disappointment.

A decade of action

Tomorrow night at a major West London Hotel Britain's toy trade will shake off its post-Christmas blues and decide which toy should be acclaimed, for the first time ever, as the "Toy of the Decade."

Among the front runners for this much coveted award will be the toy that over the past 14 years has confounded all its critics and grown from strength to strength in an industry notorious for the fickleness of its youthful customers.

When the Palitoy company first introduced a doll for boys—called Action Man—at the 1966 Brighton toy fair (the 1980 trade fair opens at London's Earl's Court today (Saturday), many within the trade were clearly sceptical. Little boys, it was loudly whispered by competitors and even some Palitoy executives, just do not play with dolls.

But, like all marketing master-strokes, it is easy with hindsight to see just why little boys will play with dolls, given the opportunity. In the same way as generations of girls have played out maternal fantasies with their baby dolls, so Action Man has enabled boys to live out their own fantasy life as a marina commando or tank commander.

The astonishing success of Action Man has meant over 11m dolls—or "articulated figures" as Palitoy would prefer — being sold in the UK since 1966, with approaching 1m more now joining the ranks each year. Retail sales, including Action Man's uniforms, weapons, vehicles, and other ancillary but all important equipment, topped £12m last year. In 1970 total retail sales were some £3m.

What makes Action Man one of the contenders for toy of the decade is that it has survived through the vagaries of consumer demand and changing tastes (whither Meccano?) to emerge with confidence as a toy which could enjoy as much success in the next decade as it has over the last. Tha recent independent telvision strike, for example, actually helped Action Man's sales since parents — in the absence of toy advertising —plumped for traditional toys such as Action Man rather than going for some of the newer toys about which they remained unsure.

Moreover, Action Man's success in the UK is all the more remarkable given that tha original U.S. version — "G.I. Joe"—has since fallen by the wayside, one of the less-publicised victims of the Viet-nam war. American parents firmly ruled against their children playing with military models when the harsh reality of war was brought home to them by Vietnam.

And Action Man's UK rival in the late 1960s—Pedigree's "Tommy Gunn"—also failed to win the battle for the toy market. Although Action Man is very much a military doll, it perhaps owes some of its success to the simple fact that it does not carry military connotations in its brand name.

More concrete reasons for its success are two-fold. In the first place, Palitoy has pursued a policy of consistently updating its Action Man models, based on research carried out at its Leicester factory. Thus, in 1970, "realistic hair" was introduced, followed in 1973 by "gripping hands" and in 1976 by "eagle eyes." In 1978 a talking model was brought in, and last year the entire range was revamped with a new body containing no rivets, able to adopt more realistic poses, and to go in water without rusting.

Second, Action Man has been popular with toy retailers because it encourages year-round sales to children. Only about a third of total retail sales go on the basic doll, with the balance made up of accessories such as equipment, uniforms, and vehicles. Thus, with accessories ranging from 35p to more than £30, toy retailers are assured of constant sales so long as the Action Man concept itself remains popular.

Palitoy's determination to keep Action Man on top during the 1980s means that a carefully worked out promotional campaign has been adopted, including safety visits to schools, local competitions, and constant additions to the range of uniforms and equipment.

One of tha main factora in Action Man'a development in recent years has been the lowering of the age groups buying Action Man. Initially, the doll appealed to the aeven to 12 age groups but latterly the under six's have become significant in demanding the toy. This factor, and Palitoy's desire to extend its product range for tha 1980s, has led to the introduction of the "Space Ranger" series of models and accessories and, as an adversary, the "Gargon" monster (retailing at between £14 to £18) which retreats automatically when Space Ranger's laser-gun sets off a photo-electric cell. The irony for Palitoy, however, is that if its Action Man doll for boys fails to be acclaimed as toy of the decade, then that honour could go to another doll. But this time it will be a more traditional opponent in Pedigree's "Sindy" doll for girls.

The law and its library

A child born to the Society for Computers and Law was presented to the top people of the legal profession on Monday by Lord Scarman. Lord Denning and Sir Henry Benson, whose report on the legal profession stressed the need for better information, were among the godfathers; the name of the child is the National Law Library. Like other children of ambitious parents who give grand names to their offspring, the National Law Library will have a job to live up to its name. At present it is neither national nor a library, though it was certainly given a good start in the legal community. One must wish it well for all our sakes as without the help of computers we are bound sooner or later to drown in the flood of new statutes and judge-made law.

The National Law Library consists of the National Library Trust and of the National Law Library Limited, completely owned by the trust. Members of the trust are the three law Societies of England and Wales, Scotland, and Northern Ireland, as well as the Society for Computers and Law. Lord Scarman is its president, and the impressive list of patrons is headed by Lord Denning, Master of the Rolls.

The inaugural meeting took place in the elegant library of the Law Society, one of those old fashioned institutions occupying a two-storey high hall, lined with books up to the ceiling. If the new venture is successful it will make this, its birthplace, quite obsolete. The aim of the trust is to promote the use of computers for retrieval of legal information. Several such systems have already been developed and provide either references of full texts of statutes or judgments containing tha key words indicated by whoever seeks the information. The National Law Library will endeavour to co-ordinate tha development of these systems in the UK so as to make them mutually compatible and to enable tha users to be linked with all such systems through a single terminal and by means of a universal computer language.

The field is likely to be dominated by legal publishers. Butterworth's have already inaugurated their computer-assisted retrieval system based on the American LEXIS. Next week tha Thomson Organisation will launch EUROLEX, also a full text word searching and retrieval system.

In addition to its promotional and co-ordinating activities the National Law Library will also evolve an experimental data base covering tax law so that we shall all be able to dial in for computerised help if hard pressed by the tax man.

Contributors:
Arthur Sandles
David Churchill
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Economic Diary

TOMORROW: Union members in private steel sector join national steel strike. El Al starts twice weekly service between Tel Aviv and Cairo.

MONDAY: Northern Ireland constitutional talks resume at Stormont Castle, Belfast. Welsh TUC call one-day national strike in Wales. Water workers pay talks resume, with hope of averting strike action. Widows' charter launched by National Association of Widows. Mr. David Howell, Energy Secretary, speaks at energy savings seminar, Guildford. International two-day conference on hotels and world tourism—tha next ten years. Commonwealth Institute.

TUESDAY: Association of Metropolitan Authorities meets Mr. Michael Heseltine, Environment Minister, to discuss block grant system. Mr. Francesco Cossiga, Italian Prime Minister, meets Mrs. Margaret Thatcher, for talks on bilateral, EEC and other international matters (until January 30). Gatwick Airport second terminal public planning inquiry opens. House of Commons debates gas prices. Result of Shell tanker drivers' pay claim ballot. British Agriculture Export Council statement on exporting to China. Airedale trunk road inquiry resumes, Shipley. Amusement Trades Exhibition, Alexandra Palace (until January 31). Lord Carrington, Foreign Secretary, speaks at Australia Day Menzies memorial dinner, London. EEC Fisheries Council meets, Brussels.

WEDNESDAY: Mr. Cecil Parkinson, Trade Minister, speaks at Birmingham Chamber of Commerce export meeting. House of Lords debates prices increases for gas and electricity. Microsystem 80 exhibition and conference opens, Wembley Conference Centre (until February 1).

THURSDAY: House of Commons debates environmental pollution relating to agriculture. Timber growers' organisation annual meeting. Unemployment and unfilled vacancies (December—final). Employment in the production industries (November). Overtime and short-time working in manufacturing industries (November). Quarterly estimates of employees in employment (September). Stoppages of work due to industrial dispues (January). Energy trends.

FRIDAY: British Gas and manual workers' unions meet to consider pay offer.

UK COMPANY NEWS

Exceptional losses hit Audiotronic at midway

INCLUDING exceptional debits of £319,000, compared with £24,000 credits, losses at Audiotronic Holdings, electronic equipment group, deepened to £306,000 for the 26 weeks ended September 1, 1979 against £158,000.

And the dividend on the ordinary, and the 12 per cent cumulative participating preferred shares, is being passed — last year a nominal 0.05p was paid on the ordinary shares.

At the pre-tax level, a £232,000 turnround to a £118,000 profit on the UK side left a £13,000 surplus, compared with a £182,000 loss — there was no tax charge (same).

Loss for the whole of 1978-79 was £733,000, pre-tax (£1.28m for previous 61 weeks).

Turnover for the first half totalled £12.17m (£15.75m) and was split as to: UK £8.72m (£10.53m), which included £5.17m attributable to Lasky', now sold, and overseas £3.45m (£5.21m).

	1979 £000	1978 £000
	26 weeks	
Turnover	12,173	15,745
UK	8,721	10,533
Overseas	3,452	5,212
UK profit	118	*114
Overseas loss	105	88
Exceptional debit	318	†24
Loss	306	158

* Loss. † Credit.

The exceptional debits for the period comprised the trading loss of the group's UK retail (Lasky) of £1.16m, up to the disposal date, October 7, 1979, less the anticipated surplus re disposal of £636,000.

With the exception of the Dutch retail chain, all remaining companies in the group were profitable and continue to be in the second half, the directors state.

The Dutch side is trading profitably after reorganisation, but will still make a small loss for the year, they say.

During the last 18 months the group has had to dispose of a major part of its businesses, Lasky, and had to write off some £2.36m of reserves.

● **comment**

The losses at Andiotronic fail to disclose much light at the end of the tunnel. The losses from Lasky have been taken in as an exceptional item and netted of an "anticipated surplus" even though the sale went through after the end of the reporting period. Reserves have been reduced by £319,000 through the Lasky sale and now stand at approximately zero. The remaining businesses, on which the recovery of the group hinges, turned in a profit of £13,000. There is at least a chance that matters will improve since the Lasky overdraft is being cleared by the sale and the UK wholesale business is showing some profit. Yet the 2p fall of the share price to 6p, yesterday testifies to the problems ahead. The shares are now comfortably under their 10p par value and some equity reconstruction looks called for.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Assam Inv.	6‡	—	—	7‡	7
Audiotronic	Nil	—	0.05	Nil	0.05
John Brown ... int.	1.75	April 8	1.46§	—	3.59§
J. and J. Dyson	2.5	—	2.27	—¶	4.5
Glanfield Lawrence	1.25	March 10	1.25	1.25	1.25
Gold Fields of SA ... int.	130‖	March 14	70	—	225
Hallite Hldgs. ... int.	2.25	—	2.15	—	6.75
Mackinnon of Scot.	Nil	—	1.84	—	1.84

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 18 months. § After scrip and subdivision. ¶ Final of not less than 2.5p forecast. ‖ South African cents throughout.

Glanfield Lawrence upsurge

The improvement shown by Glanfield Lawrence at the half-way stage has continued and profits for the full year ended September 30, 1979, have doubled, from £70,906 to £156,165.

Interest charged increased from £161,449 to £238,929. A slow start has been made to the current year with sales at lower levels and high interest rates and wage settlements. The company's business is that of motor vehicle distributoring and engineering.

Earnings for the year are shown at 4.9p, compared to 2.3p, and the dividend is held at 1.25p.

	1978-79 £	1977-78 £
Turnover	10,700,000	9,400,000
Loan interest	238,929	161,449
Profit before tax	156,165	70,906
Taxation	59,497	24,523
Extraord. credit	—	18,095
Attributable	96,668	64,478

Hallite growth in first half

TAXABLE profits of Hallite Holdings, precision seal manufacturer, expanded from £161,055 to £301,976 in the half year to October 27, 1979.

The value of orders is at a satisfactory level and the chairman, Mr. H. H. M. Harmer, says he sees no reason to change his view that the full year's results should exceed those of 1978-79, when there were pre-tax profits of £528,000 (£1m).

First-half results of Hallite Plastics were disappointing, but the other UK companies achieved improvements, he adds, and overseas trading continued to expand.

The interim dividend is increased from 2.15p to 2.25p a total of 6.7497p was paid last year.

Six months' sales produced £3.81m against £3.15m, and the surplus this time includes a sharp increase in the share of associates' profits from £15,886 to £46,434.

After tax of £126,830 (£64,691) and an extraordinary profit of £247,328 arising from the sale of land, the attributable balance emerges at £422,474 (£96,364).

The dividend absorbs £57,442 (£49,400), leaving stated earnings per 50p share, excluding the extraordinary profit, of 7.6p (4.2p).

The directors expect that the full-year results will not be dissimilar to the £1.92m for 1978-79.

The net interim dividend is raised from 2.265p to 2.5p, and the directors anticipate a final of not less than 2.5p, subject to the expected profitability being achieved.

Half-year turnover improved marginally to £17.97m, compared with £17.62m. Tax took £525,000 (£550,000), leaving the net balance little changed at £584,000, against £570,000.

Assam Investments drops to £1.39m for eighteen months

TAXABLE PROFITS of Assam Investments, tea estate concern, slumped to £1.39m for the 18 months ended June 30, 1979, compared with £3.74m for the previous year. Turnover was £15.32m, against £14.74m.

Results reflect both the impact of a drought of unusual severity in the tea districts in the early part of 1979, and declining trends in the tea markets since the end of 1977.

Profits at 12 months were £2.46m, but the directors warned that, as in the half year, to June 30, expenditure normally exceeded income, the result for the 18 months would be considerably lower than that for 1978 alone.

Net profit came out at £284,320 (£893,270) after tax of £1.1m, against £2.85m, giving earnings of 3.74p (19.46p) per share.

Minorities took £107,160 (nil) for the period and there were extraordinary debits of £46,500, compared with £8,316.

The net dividend per £1 share is 7p (same for 12 months), with a final of 6p. The directors have undertaken to discount the adverse impact on the results of the full period in determining the dividend and have accordingly only taken into consideration the operating surplus for the 12 months ended June 30, 1979, of £1.95m (£3.56m for 1977).

The question of tax, on the remuneration paid by the subsidiaries to their London secretaries, has not yet been resolved and, although some remittances were received in early 1979, the earlier embargo on repatriation of assets in India has since been reimposed, the directors state.

It is hoped that following the recent elections there, an early decision may be practicable and that remittances will be resumed.

In the meantime, however, realignments of exchange rates with sterling have eroded the value of assets in India by £852,024 of which £631,696 would have been remittable to the UK.

BORTHWICK'S £2.8M COMPLETION

Thomas Borthwick, the meat trading group, has completed the acquisition, for £2.8m, of Williams Brothers (Butchers), the Booker McConnell retail butchery business which operates through 58 shops.

The purchase is being made through Matthews (Butchers), Borthwick's butchery subsidiary. The shops, which made a profit of £310,000 in 1979, are spread throughout the Midlands and the south of England, and will consolidate Matthews' coverage in those areas. The purchase represents a further step in the national development of a retail butchery chain for Borthwick.

The purchase price will be financed by the issue of 4.84m Borthwick ordinary shares which will be placed by Morgan Grenfell to provide Booker with £2.8m net.

Warner Estate pays 5p

AN IMPROVEMENT in taxable profits from £1m to £1.22m is reported by Warner Estate Holdings for the year to September 30, 1979 on turnover slightly ahead at £5.87m compared to £5.34m.

A final of 3.4p lifts the dividend from 2.97403p to 5p.

The surplus is struck after charging depreciation of £61,749 (£51,337) but before tax of £592,777 (£516,191).

After transferring the extraordinary credits of £1.77m (£1.46m) directly to reserves, there is an attributable profit of £618,933 (£490,261). Stated earnings per 25p share are up from 4.9p to 6p.

The directors estimate the value of properties included in the accounts as fixed assets has risen £12m to £35m.

Dyson sees similar result

STATIC taxable profits of £1.11m for the half-year to September 30, 1979, against £1.12m last time, are reported by J. and J. Dyson, manufacturer of refractory materials and articulated trailers.

Heavitree holds profit

TURNOVER of Heavitree Brewery, Exeter-based concern, slipped from £3.05m to £2.97m for the year ended October 31, 1979, but taxable profits edged forward to £547,000 compared with £534,000.

At halfway profits were up from £161,434 to £207,653 but the directors explained that the increase was largely caused by a change in management policies, and would balance out in the second half. They said the true increase was in the region of £10,000.

After the year's tax charge of £286,000 (£304,000) earnings are shown are 63.4p per £1 share, against 55.8p, and a final dividend of 12.674p, payable March 29, lifts the total to 19.274p (18.448p).

Also proposed is a scrip issue of new cumulative preference shares, to ordinary and 'A' ordinary holders, details of which will be announced later.

Mackinnon of Scotland £0.14m loss—no payout

AN UNEXPECTED further deterioration in the second half left Mackinnon of Scotland showing a £137,937 pre-tax loss, compared with £401,093 profit, for the year to October 31, 1979. Also the knitwear manufacturer is omitting a dividend.

At midway, when there was a fall from £222,349 surplus to £37,264 deficit the company said it expected a slight improvement in the second half.

After a tax credit for the year of £67,642 (£215,068 charge) net the loss per 25 share emerged at 4.09p (6.85p earnings). There is no distribution compared with a net 1.8425p last time.

Sales for the 12 months were marginally ahead at £6.38m (£6.14m).

The attributable loss was £70,295 (£186,025 profit) before £27,875 (£21,564) preference dividend.

There was a £17,500 transfer to (same transferred from) capital redemption reserve.

Reserves have been increased by a £150,000 prior year adjustment

Gallaher redemption

Gallaher announces proposals to redeem its two outstanding loan stocks. The outstanding £848,872 nominal of 6 per cent Unsecured Loan Stock 1976-81 will be redeemed at par and the consent of stockholders will be sought to enable the outstanding £991,844 nominal of 6 per cent Unsecured Loan Stock, 1983-85, not yet in its redemption period, to be redeemed, also at par.

Redemption of the 1976-81 Stocks is expected to take place in mid-May and subject to stockholders' consent, the 1983-85 Stock will be redeemed at the same time.

26% increase at Dunlop South Africa

A 26.2 per cent rise in profits to R15.9m for the 1979 year is reported by Dunlop South Africa, the 70 per cent-owned subsidiary of Dunlop International. Sales of the diversified rubber group increased by 19.6 per cent to R127.1m.

However, this advance was based on mixed results from the company's various operating divisions. Some 55 per cent of group sales are to the motor industry where the past 10 years have been a period of little growth.

The board sees little prospect of significant motor industry expansion in 1980, and this is expected to slow the company's earnings and profit growth rates. But sales to the mining industry remain strong.

The company has invested considerable funds in facilities to produce conveyor belting for the mining industry and, with heavy investment particularly by the coal and gold sectors continuing, the investments are expected to make significant contributions to earnings over the next few years.

The dividend is raised from 26 cents to 34 cents. Stated earnings per share are 65 cents (53 cents).

Everards Brewery at £1.37m

FOR THE year ended September 29, 1979, taxable profits of Everards Brewery, Leicester-based concern, advanced from £1m to a record £1.37m which included £111,000 profit on property disposals.

Turnover moved only slightly ahead from £11m to £11.96m, due to price control, Mr. R. O. Steel, chairman, explains in his statement.

Earnings per £1 share are shown as 34.75p (24.35p) and a final dividend of 3.6p lifts the total payment to 5.7p (4.38p), absorbing £131,000 (£105,000).

The chairman says that the group's beer trade continued to grow at a rate which represents an increasing share of the market.

One new public house was opened during the year at Derby, at a cost of £160,000, excluding land value.

Over the past five years nearly £3m has been spent on improving the group's tied estate without recourse ot loan capital, Mr. Steel states.

"Only by a high level of retention of earnings can we maintain this policy in spite of steeply rising building costs."

Everards bought a 136-acre site near the M1/M69 motorway junction during 1978-79, and "we hope to commence development of this site early in 1981," the chairman says.

Profits from the wine and spirits division improved by 100 per cent.

Net profits for the year came out at £712,000, compared with £505,000, after tax of £655,000, against £495,000. The amount retained was £581,000 (£400,000).

Everards is a public, unquoted company.

PHICOM ACQUIRES DRILLINCK LAMANNA

Phicom has agreed to acquire the capital of Drillick Lamanna Corp., of New Jersey, U.S., manufacturer of products for the data communications industry.

Consideration will be the issue of 525,000 Phicom ordinary shares, valued at some £142,000, which will not rank for the 1979 final dividend.

Net assets of Drillick are about $100,000.

UniChem sales reach £136m

Sales of UniChem, independent unquoted pharmaceutical wholesaler, rose 36.8 per cent to s record £136m in 1979, against £99.4m last time.

Mr. Peter Dodd, managing director, looking ahead to trading conditions in the next decade, believes the crucial time for independent pharmacy will be over the next two years. The increasing power of the multiple stores could erode part of the pharmacist's business. Rising costs are also a major problem.

Framlington Unit income trust issue

Framlington Unit Management is launching a new Extra Income Trust. The new trust will have an estimated gross starting yield of 10½ per cent and will aim for a yield of two points above that of the existing Framlington Income Trust.

The new fund will concentrate on UK equities and will not invest in preference shares or other fixed interest securities.

For the period of the launch the initial charge will be 3½ per cent but after February 7, this will rise to 5 per cent. The annual charge will be half a per cent plus VAT.

ULSTER INVESTMENT BANK

Net profit of the Ulster Investment Bank, a subsidiary of Nat-West, increased from £1.15m to £1.21m in the year to September 30, 1979.

The chairman states that a significant number of new clients has been attracted and a good base for profitable growth in the future has been established.

Results due next week

Analysts will be looking for an improvement in third-quarter profits from Reed International when the results are announced next Tuesday. So far this year profits are 25 per cent higher although the second quarter was slightly disappointing following a poor showing from psper-making activities. Third-quarter results usually show a seasonal recovery and the expectation is for pre-tax profits of around £27m, giving a nine-month total of just over £77m, compared with £63.1m last time. Demand for advertising should have been buoyant ahead of the Christmas season while there will have been a boost from the 1p rise in the cover price of the Daily Mirror. Overseas profits will be lower, however, due to the disposal of substantial interests in Australia, South Africa and British Columbia, but the proceeds will reduce borrowings. For the year aanlysts are pitching for profits of roughly £105m (£83.4m).

Next Wednesday's 12-month figures to September from BAT Industries are interims. With the company in the process of moving to a December year-end, 15-month figures will appear in April. Outside estimates for the 12-month period are for profits of £450m to £455m, against £433m for the year to September 1978. Depreciation of the Brazilian cruzeiro will depress profits by perhaps £15m, with some 10 per cent of group earnings coming from that country. BATS' tobacco operations have been dull of late, with some shrinkage of U.S. market share. But profits from paper should continue their first-half growth. Expectations are for a third interim dividend of 6.16p, and a special dividend for the final three months of 4.7p, bringing the year's total up to 21.7p against 14.52p last yaar.

Analysts are expecting interim pre-tax profits of between £20.8m and £22m from Associated Dairies on Wednesday. This compares with £14.5m last year, though the comparison is complicated by the acquisitions of Allied Retailers and Wades. Asda, the food retailing business, should contribute about £17.5m helped by the opening of new superstores and almost certain gains in market share. Allied seems well up to budget but the Williams furniture business could well prove a drain on profits. For the full year the group seems on target for around £50m pre-tax.

Other results due next week include preliminary figures from Prestige (Tuesday), Trident (Tuesday) and Allied Textile (Wednesday), with interims on Friday from Town and City Properties.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Allied Textile Companies	Wednesday	2.35	3.68478	2.82
Bank Leumi (U.K.)	Wednesday	2.68	5.52	2.8
Blundell-Permoglaze Holdings	Thursday	1.14	2.08	1.58†
Braid Group	Monday	0.47582	1.06258‖	0.565
Brentnall Beard Holdings	Monday	0.572	—	—
Evode Holdings	Friday	0.3629	0.7984	0.425
Hill and Smith	Thursday	0.75	2.25	1.0
I.D.C. Group (The)	Tuesday	2.3914	7.6086	2.75
Pratt (F.)	Wednesday	1.8391	3.5344	2.2
Prestige Group	Tuesday	2.5	3.736	2.5
Throgmorton Trust (The)	Wednesday	2.0	2.875	2.25
Trident Television	Tuesday	0.832	2.227	1.095
Vantage Securities	Tuesday	0.2	0.45	0.25
INTERIM DIVIDENDS				
Ashley Industrial Trust	Monday	1.0	1.3	
Associated Dairies Group	Wednesday	0.46667	2.86667	
B.A.T. Industries	Wednesday	4.84	6.0‡	
Cantors	Monday	0.825	1.475	
Country and New Town Properties	Monday	0.2	0.45	
Christie-Tyler	Tuesday	1.8	4.7	
Desjan Holdings	Wednesday	1.1725	2.0775	
Ellis and Everard	Monday	2.25	3.5	
Gartord-Lilley Industries	Thursday	0.175	0.825	
Gaunt (Rowland)	Friday	—	1.5	
Hambro Trust	Thursday	0.65	1.6	
Henderson-Kenton	Tuesday	1.0	2.0	
Longton Industrial Holdings	Thursday	1.25	3.75¶	
Manson Finance Trust	Wednesday	1.125	1.5	
Midland Trust (The)	Monday	2.01	3.325	
M.L. Holdings	Friday	2.0	4.0	
Neepsend	Monday	0.92125	2.30315	
Newmark (Louis)	Thursday	3.0	8.0	
Reardon Smith Line	Thursday	—	0.1	
Roegill Holdings	Tuesday	0.75	1.56	
Stewart Plastics	Wednesday	0.51016	1.98312	
Stirling Knitting Group	Monday	0.35	0.4	
Stoddard Holdings	Thursday	0.532	0.8576	
Syltone	Wednesday	1.5633	5.4367	
Textured Jersey	Thursday	1.0	2.0	
Wholesale Fittings	Friday	2.23	7.77	
Worthington (A. J.) Holdings	Tuesday	0.34	0.553	
INTERIM FIGURES				
City of London Brewery & Inv. Tst.	Thursday			
Estates Property Inv.	Monday			
Grimshaw Holdings	Tuesday			
Town & City Properties	Friday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes special interim of 0.38p resulting from relaxation of dividend restrictions. ‡ Second interim. ¶ Includes anniversary dividend of 0.5p. ‖ Includes special interim.

BIDS AND DEALS

P & O steps up Normandy Ferries stake to 90%

BY WILLIAM HALL, SHIPPING CORRESPONDENT

P & O Ferries has bought a further 40 per cent stake in P & O Normandy Ferries from the Rothschild-backed SAGA Group of France. P & O now owns 90 per cent of the cross-channel ferry operation which runs two ferries on the Southampton-Le Havre route and three on the Dover-Boulogne route.

P & O has refused to disclose the price, but it is understood to have paid less than £5m. The vendor, Societe Anonyme de Gerance d'Armement (SAGA) has had financial difficulties over the past few years and has been running down its shipping operations.

P & O Normandy Ferries only started on the Dover-Boulogne route in 1976 but it has built up both its passenger and freight carryings and its presence has been one of the main reasons for the collapse of the price cartel between British Rail's Sealink and Townsend Thoresen.

From the beginning of this year all three operators have been charging different prices and a price war has broken out on the cross-channel route. P & O said yesterday that the decision to increase its stake in P & O Normandy Ferries had been under discussion for some time and was not related to current events. Mr. Ian Churcher, executive chairman of P & O Ferries, said that "our aggressive marketing policy will remain unchanged."

After several decades of neglect, P & O has been building up its ferry operations over the last few years, since this is one area of shipping which is continuing to grow rapidly. During 1979 the volume of commercial vehicle traffic passing through Dover, Europe's biggest ferry port, rose by 13 per cent and passengers by over 8 per cent.

Earlier this month P & O and Nedlloyd, Holland's biggest shipping company, announced plans to buy out their minority partners in North Sea Ferries, which operates between the UK East coast and Europe and has about a fifth of the North Sea market (excluding Scandinavia). While the growth of this market is not as spectacular as for the cross-channel routes it is still around 7 per cent per annum.

PMA sells Skelham for £0.94m

PMA Holdings has sold Skelham to South Side Sawmills, a distributor of kitchen and bathroom furniture based in Glasgow.

The aggregate cash consideration, including repayment of inter-group indebtedness, was £936,200—of which £906,200 was paid on completion and £30,000 is payable on January 24, 1981.

Skelham is a holding company with its sole trading subsidiary being Norfactors, a distributor of kitchen and bathroom furniture and equipment.

The net assets of Skelham, as at July 27, 1979, were £679,000 and profits before tax for the year ended on that date were £127,000.

The proceeds of the disposal will be used in the reduction of PMA's medium-term loans and this, together with the elimination of Norfactors' overdraft, will result in an overall reduction of group borrowings of some £1.44m.

NORTHERN FOODS RAISES STAKE IN AVANA TO 10%

Northern Foods, the Hull-based dairy and baking group, has purchased further shares in Avana Group, the Cardiff cake manufacturer and baker which supplies Marks and Spencer.

Mr. Nicholas Horsley, chairman of Northern Foods, said yesterday that the investment in Avana—which now represents 10 per cent of the equity—had been very successful and the opportunity was taken to add to the holding.

Mr. Horsley regarded the stake as a trade investment and there was no present intention of further increasing it.

Mr. J. S. Randall, managing director of Avana, said it was his company's policy to stay independent and all efforts would be directed to this end.

Edward Nassar acquires 5% of Inveresk

Mr. Edward Nassar, the Lebanese businessman who recently took over the chairmanship of two UK companies, has acquired a 5 per cent interest in Inveresk Group, the Scottish paper concern.

The company yesterday confirmed the stake, one of several held by Mr. Nassar in UK companies.

Earlier this week Mr. Nassar, who is based in Switzerland, became chairman of Blue Bird Confectionery and Jantar, replacing Mr. S. T. Bridgewater and Mr. Jonathan Janson respectively who became deputy chairman and at the same time joined the board of Pioneer International (Group Services), a company controlled by Mr. Nassar.

In addition to these moves, Mr. Bridgewater has joined the board of Jantar and Mr. Janson has gone on to the Blue Bird board.

These appointments were said by Blue Bird to be part of the rationalisation of Mr. Nassar's interests in the UK.

Highland spirit may pay off

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE SCOTS are traditionally extremely jealous about their national drink. So much so that they go to great lengths to ensure that whisky produced elsewhere in the world is spelt differently, and under no circumstances can it be called Scotch unless actually produced in Scotland.

It is hardly surprising, therefore, that the trend in recent years for Scotland's dwindling number of independent Scotch distillers to be taken over by giant English or North American drinks groups should lead to a sharp back-lash.

That duly emerged yesterday when the Department of Trade in London put a block on the Canadian company Hiram Walker-Gooderham and Worts' contested £80m acquisition of Highland Distilleries — producer of the Famous Grouse whisky—by referring it to the Monopolies and Mergers Commission. The Commission has at least six months—and possibly nine—in which to weigh up the tricky question of whether it is in the "public interest" for control of Highland to go abroad.

The decision by Mr. John Nott, Trade Secretary, to refer the merger is the first major take-over that the present Government has passed to the Commission. Last November Mr. Nott decided to over-rule the recommendation by Director-General of Fair Trading that Thorn's proposed £169m bid for EMI should be referred.

This time, however, Mr. Nott decided to accept the Director-General's recommendation. But while the Government's attitude to the Thorn-EMI link at least revealed a glimpse of a developing policy towards conglomerate mergers, the action on the Highland bid appears to owe as much to bowing to Scottish fervour as anything.

Mr. Donald Dewar, Labour MP for Glasgow Garscadden, has been especially active in mobilising opinion against the take-over.

It is probably because Hiram Walker's bid to expand into the Scotch whisky industry has come after so many other take-overs, that the Government has finally bowed to pressure and decided to act.

The decision to refer the whisky battle was no doubt encouraged by Highland's spirited defence. Highland has repeatedly made it quite clear that it did not feel it in the best interests of either the industry, employees, or shareholders for a take-over attempt—especially by an overseas company—to succeed.

The merger attempt has been referred under the criteria that the assets involved are greater than £5m, rather than because a significant market share would be created. Hiram Walker has only a small stake at present in the Scotch industry—the main reason for its bid is obviously to increase this—while Highland's "Famous Grouse" brand, although having a significant market share in Scotland, does not have the same degree of penetration throughout the UK.

The Commission will be looking at five main criteria to judge whether the take-over battle should be allowed to continue in the public interest. One of the major factors will be the availability of non-matured malt whisky for supply to other producers for blending, since part of Highland Distilleries production is used in this way.

The Commission will also look at the impact of a merger on the efficiency of the two companies; the effect on exports; and on employment levels within the industry.

But the main factor will be whether control of another Scotch producer should go outside the UK. The Commission may decide that, in the long run, the interests of the industry would be best served by Scotch production staying in Scottish hands.

MINING NEWS

GFSA interim boosted by gold price

BY PAUL CHEESERIGHT

GOLD FIELDS OF SOUTH AFRICA has raised its interim dividend by 85 per cent to 130 cents (69.79p) a share on the back of a 42.3 per cent increase in net profits over the six months to December 31.

Earnings in the first half of the current year were R43.3m (£23.26m), compared with R30.4m in the half to December 1978, the group announced yesterday.

The interim dividend declaration compares with 70 cents at this time last year and a total distribution for 1978-79 of 225 cents.

The overall performance of the group, although in line with the advance in earnings showed by other South African mining finance houses, underlines the importance of GFSA to Consolidated Gold Fields of London, which holds 46 per cent.

Gold Fields has been receiving what it calls "a growing stream of dividends" from South Africa. With the surge in precious metals prices, its seems probable that GFSA will raise the dependence of Gold Fields on South African earnings to over the 50 per cent for 1978-79.

GFSA and the gold mines in the group—East Driefontein, West Driefontein, Deelkraal, Doornfontein and Kloof—have not yet had the benefits of the most recent strength in the bullion price. The latest results showed that the mines were receiving an average of $400 an ounce, during the three months to December, against current prices of over $650.

As the higher flow of revenue is translated into dividend payments over the current half, it seems inevitable that GFSA will declare a substantially higher final for 1979-80 than the 155 cents paid for 1978-79.

Meanwhile the advance in share market prices has more than doubled the stock exchange value of GFSA's listed investments. On December 31, 1979, they were worth R1.53bn against R720m a year before.

GFSA's own shares closed in London yesterday at £31[illegible] for a gain of ¼, after having touched £31⅞ and fallen back in line with the general trend.

Denison Mines marks time

NET PROFITS of Canada's uranium-producing Denison Mines natural resource group declined to C$56.1m (£21.2m), or C$3.07 per share, last year from the record 1978 total of C$58.2m, reports John Soganich from Toronto.

The decline is attributed mainly to higher uranium production costs at the Elliot Lake properties, some development in lower grade uranium ore, and doubled exploration costs. The group also received a lower revenue from disposals of securities.

However, the chairman, Mr. Stephen B. Roman, anticipates better things. He says: "Denison confidently enters the 1980s with plans for a new cycle of profitable growth."

Profits surge at North BH

NORTH BROKEN HILL, the Melbourne mining and investment house, recorded a 148 per cent rise in net earnings during the half to December and looks set to maintain earnings at the higher level during the remainder of the financial year.

Consolidated net profits of A$20.33m (£9.89m) for the six months to December against A$8.18m in the same period of 1978 were announced yesterday.

The profits were further boosted by an extraordinary gain of A$17.07m, arising from the sale of the group's stake in BH South for A$12.2m and in Broken Proprietary for A$4.8m. This gain lifted profits to A$37.4m.

Most of NBH's investments have paid higher dividends during the most recent half and this raised investment income to a net A$11.34m from A$5.25m.

But the rise in net income from mining operations was even more striking. Profits from this source climbed to A$8.9m from A$2.9m as benefits accrued from significantly higher lead and silver prices and better returns from zinc.

The figures for the current half will benefit from the dramatic rise in silver prices since the beginning of last December, and provided lead and zinc prices hold steady the group is confident of a further improvement in mining profitability.

Despite the evidence of a revival in NBH's fortunes—which, incidentally, will benefit Consolidated Gold Fields with its 10 per cent stake—the shares were overshadowed on the market yesterday, and closed unchanged at 159p.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Marsh and McLennan is to press ahead with its bid, now worth £237m, for **C. T. Bowring**, despite the latter's rejection of the offer es inadequate. Marsh has disclosed terms of 2.767 Marsh shares plua $190 cash for every 100 Bowring shares which, with Marsh sharea at about $66 and taking the dollar at $2.29, values Bowring at 163p per ahare. The original bid valued Bowring at nearer 170p per share, but has been redneed by weakness in Marsh's shares and the continued strength of sterling. Marsh bas made it clear in a prospectus that approval by Lloyd's of London of a proposal for separating Bowring's Lloyd's broking interests is crucial to the bid.

Blue Circle made an offer for **Armitage Shanks** on the basis of two of its own shares for six Armitage valuing the latter at approximately 90p per share on the basis of 270p per Blue Circle share. Ceramics, part of e Panamanian company controlled by Lebanese industrial and trading interets, lifted its stake in Armitage from 21.2 per cent to 23.5 per cent after describing Blue Circle's bid as too low. The directors of Armitage have accepted the Blue Circle offer in respect of their own small shareholdings, while Blue Circle raised its stake in Armitage to just below 15 per cent through market purchases; additional purchases would force it to make a full cash offer under City Code rules.

Tategold made an agreed offer of 270p cash per stock unit to acquire **Deloi Tea**, valuing the latter's 96,000 units at approximately £259,000.

Gieves is selling its James Burn Bindings subsidiary to **Standex International** of the U.S. for £3.66m cash. The proceeds will be distributed to shareholders via a reconstruction of the group that will involve temporary liquidation followed by the splitting of its assets into two companies, a new JBB and a new Gieves. In return, shares in the two new companies will be issued direct to existing Gieves shareholders. Standex will then make a 60p per share cash offer for the new JBB, while the Gieves directors will seek an immediate market quotation for the new Gieves group. The method of disposal of JBB is designed to allow Gieves shareholders to receive the sale proceeds with the minimum tax liability.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Armitage Shanks	92½	92	55½	29.19	Blue Circle	—
Bowring (C. T.)	164	141	141	178.4	Marsh and McLennan	—
Cableform	90*	88	72††	4.33	Tricentrol	—
Dawnay Day	60*	59	47	16.6	Hume Hldgs.	—
Doini Tea	270*	270	215	0.29	Tategold	—
EMI¶¶	144	123	95	160.07	Thorn Elect.	—
Empire Plants.	24*	24½	19½	0.80	Caparo Invs.	—
FPA Const.¶¶	15	15	18	1.19	Heywood Williams	—
Nationwide Leisure	6*§	6	9	0.66	Rantlodge	—
Royco	50*	48	41	5.00	Bonmerpark	—
Scottish Homes	48*	45	43	3.36	Barratt Dev.	4/2
Shakespeare (J.)	30§§	25	15½	2.32	Wheway Watson	—
Vita Tex	120†*	123	71	4.03	British Vita	5/2
Wallis Fashion	35*	34	38	2.50	Sears Hldgs.	—
West of England Trust	92	93	76††	14.4	Globe Invest. Trust	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which acheme is expected to become operative. ** Based on 25/1/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Alexanders Disct.	Sept.	250L	(200)†	—	(—)	16.0	(16.0)
Bakers Stores	Sept.	621	(424)	18.9	(13.5)	1.5	(1.0)
Bootham	Oct.	796	(681)	45.8	(40.6)	11.5	(5.1)
Bullough	Oct.	5,400	(4,950)	43.3	(42.4)	10.75	(7.68)
Dewhurst & Ptnr.	Sept.	138	(219)	1.5	(2.3)	0.92	(0.92)
Henlys	Sept.	4,309	(5,702)	23.8	(29.1)	9.1	(8.71)
Lincroft Kilgour	Sept.	435	(875)	5.2	(17.0)	4.05	(3.97)
Lookers	Sept.	2,000	(1,720)	27.0	(28.2)	3.85	(2.74)
Lovell (Y. J.)	Sept.	2,490	(1,930)	37.1	(24.9)	5.75	(4.35)
Meggitt Holdings	Oct.	425	(476)	4.7	(7.6)	0.84	(0.64)
Muirhead	Sept.	911	(2,140)	19.7	(22.2)	4.0	(5.08)
Olympia (R'acre)	Dec.	114	(271)	2.7	(7.0)	1.69	(1.69)
Rank Org.	Oct.	131,190	(121,930)	38.4	(38.2)	10.8	(8.89)
Smallshaw (R.)	Sept.	341	(335)	6.6	(6.4)	1.75	(1.25)
Union Discount	Dec.	2,080†	(1,800)†	—	(—)	20.0	(13.63)
United Guarantee	Sept.	400	(316)	3.9	(2.8)	5.0	(0.2)
Watson & Philip	Oct.	780	(852)	7.3	(5.0)	2.0	(1.86)
Whatlings	Sept.	257L	(362)	—	(4.3)	1.9	(2.87)
Williams Lea Gp.	Sept.	912	(735)	152.7	(93.1)	17.0	(11.1)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Allen (W. G.)	Sept.	212	(279)	0.8	(0.8)
Amal. Distilled	Sept.	109	(10)	0.5	(0.25)
Amber Day	Oct.	1,040	(993)	0.9¶	(0.84)‡
Austin (J.) Steel	Sept.	341	(542)	1.67	(1.67)
Baldwin (H. J.)	Oct.	179	(185)	—	(—)
Bevan (D. F.)	Sept.	252	(151)	0.5	(1.12)
Burt Boulton	Sept.	848	(276)	3.5	(3.5)
Caledan. Cinemas	Sept.	281	(500)	2.0	(1.0)
Cowan de Groot	Oct.	1,280	(1,070)	1.0	(0.73)
Cray Electronics	Oct.	224	(255)	0.57	(0.57)
Davy Corpn.	Sept.	4,560	(8,520)	2.0	(2.0)
Denbyware	Sept.	51	(319)	2.11	(2.11)
Fairdale Textiles	July	322	(202)	0.3	(0.3)
Fergusn Ind Hldg	Nov.‖	2,700	(1,630)	—	(—)
Fitch Lovell	Oct.	5,961	(4,027)	1.49	(1.3)
Greycoat Ests.	Sept.	373	(200)	—	(—)
Inchcape	Sept.	31,158	(23,003)	7.15	(6.5)
Jones Stroud	Sept.	1,060	(1,410)	2.0	(2.0)
Macarthys Pharm.	Oct.	1,607	(1,848)	2.0	(1.5)
McKay Securities	Sept.	460	(301)	1.35	(0.35)
Mercantile House	Oct.	1,420	(1,230)	4.0	(—)
MFI	Nov.	8,060	(6,030)	1.1	(0.37)
Priest (Benjamin)	Sept.	1,200	(950)	1.7	(1.47)
Regional Props.	Sept.	694	(536)	0.65	(0.5)
SEET	Oct.	648	(617)	0.8	(0.74)
Stroud Riley Drm.	Sept.	115	(222)	0.5	(0.5)
Wintrust	Sept.	706	(580)	0.88	(0.86)
Wrighton (F.)	Sept.	60	(188)	—	(—)
Zetters	Sept.	615	(608)	0.75	(—)

(Figures in parenthes are for corresponding period.)
Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † Profit after tax and transfer to reserves. ‡ On 10p shares. ¶ On 20p shares.

Scrip Issues

McKay Securities: One for three.

Bakers Household Stores: One for three.

● JOHN BROWN'S INTERIM STATEMENT AND U.S. ACQUISITION

Possible £10m profits setback

A SEVERE profit reversal is in prospect for 1979-80 at John Brown Company, the engineering group. At the pre-tax level a fall of up to £10m from a record £28m is not ruled out.

"In today's conditions it is exceptionally difficult to make our customary prediction of the year-end result but, having regard to all the factors, yonr directors can nonetheless say that profits before tax for the year to March, 1980, are not expected to fall below £13m," Mr. J. R. Maybew-Sanders, the chairman, tells members in his interim report.

The forecast is made with the proposed acquisition by John Brown of Leesona Corporation, of the U.S., very much in mind he says.

"In this context particularly it is proper that we take a cautious view of current trends. In the event I hope very much to be able to announce next July a better performance than this."

At the beginning of the current year the company had expected a good profit at fulltime, though probably not so high as the record last time. Now it says it is finding the current year very difficult indeed.

The group is in a strong financial position, however, and has made a fair profit, though witb e figure disapointingly lower than recent record achievements, saya Mr. Mayhew-Sanders.

"Looking to the future, in common with most British engineering companies, unless we can solve some of our productivity and other industrial relations problems nur competitiveness will continue to suffer and our share of world markets will progressively diminish.

"In this context, I am happy to report, there have been some much brighter spots within John Brown. During the last few months at two of our larger factories and at one smaller one wbere, to varying degrees, margins and profits are threatened, our employees have accepted most moderate pay settlements."

The net interim dividend is effectively stepped up from 1.458p to 1.75p per 25p share. The total last time was equivalent to 3.591p after adjustment for scrip and subdivision.

The key trading figures to date are poor order intake and heavy pressure on margins from overseas competitors in gas turbines and in process engineering and construction; continuing depressed markets in machine tools.

On the brighter side good performances is expected from Markham, Craven Tasker and Firth Brown Stainless, the chairman points out.

In April 1979 John Brown was still suffering after-effects of the transport strike. Since then the national engineers' strike action of between August and October caused the group a significant unpredicted loss of profits and the steel strike will certainly cause it more.

Towards the end of 1979 it became clear that the recession was getting much deeper than the directors had expected, especially in the U.S.; and if the current value of sterling applies when final accounts are drawn up the profits, as stated, will be reduced by the significant amount because of the exchange rate.

The steady worsening of world economic conditiona during the year is affecting adversely the performance of the company's very important contracting and gas turbine interests. In the case of gas turbines, reality has proved to be only slightly worse than expectations but in contracting more so, Mr. Mayhew-Sanders says.

John Brown Engineering bas battled with extremely difficult conditions in the international gas turbine market throughout the year. Margins have been under great pressure and for many months of the year it has not been possible to sell gas turbines other than at a loss.

By the year end it does not expect to have shipped more than 17 units. The profit from gas turbines this year, however, will be satisfactory, principally because of completion in the year of longer term contracts taken earlier under more favourable trading conditions.

The process engineering and construction division has not enjoyed such good levels of activity as in the previous two years, particularly hard hit being its Crawford and Russell component in the U.S. whicb after a good start suffered postponement or cancellation of a number of important prospects.

The division's profit, although still far from unsatisfactory, will nonetheless be significantly lower than last year, the chairman continues.

The year has already been one of great change in the machine tool division. The predicted cutback at Banner Lane has taken place, the closure of the factory at Johnstone bas been completed and a comprehensive reorganisation of management, with the introduction of a number of new people, bas taken place.

Although demand for most of the division's products at bome and overseas was persistently and disappointingly low, there are some early signs that tbese changes will eventually bear fruit: there is likely to be a small profit from the division this year.

Markham is expected to have another satisfactory year but its previously healthy order book is now shortening and new work is hard to come by.

Craven Tasker and, in Canada, Firth Brown Stainless will also have good years. Firth Brown Tools is having a difficult year. A small profit is boped for but this is especially vulnerable to the effects of the current steel strike. Meanwhile, John Brown Plastics Machinery will again have a bad year and will make a loss, he says.

To conform with a new accounting standard constructors John Brown Ltd. will, for the first time, this year make np its accounts to March 31 and not to December 31, 1979. To deal with this change requires e little longer than normal to complete the group's accounts and so the preliminary announcement of the group's final results will be delayed until July.

Mr. C. G. Roper has been appointed group secretary of John Brown.

Plastics bid

The $80m bid for Leesona Corporation, a U.S. plastics and textile machinery manufacturer, is the diversification John Brown has been looking for over a period of several years. As the interim statement shows, gas turbines and process engineering are a volatile source of profits. And the group has yet to prove that it can produce adequate returns on its third main business, machine tools, where it is barely breaking even on capital employed of over £30m.

The objective has been to find a "fourth leg" to support the group's business, and to help iron out short-term fluctuations in its earnings. In November 1978 Brown raised jnst over £16m through a rights issue, and made it clear that acquisitions ware on the way.

Last summer, it paid $25m for Crawford and Russell, a U.S. process engineering contractor, but that was intended to be a prop for Constructors John Brown rather than a major new business activity.

Leesona is a different story. Its traditional business is textiles machinery, and it still makes equipment for winding and processing textile yarns. But in the early 1970s it decided that the long-term future of this operation was unsatisfactory, and it started to develop a plastics machinery division. By internal growth and acquisition it bas built sales in this area up from $24m in 1975 to a current annual rate of over $100m. Group profits in 1979 were around $14m pre-tax, of which only between a quarter and a third came from textile machinery.

The company bas a sound assets base. Shareholders' funds at the end of 1978 were around $55m on a LIFO accounting basis. Brown says that under its accounting treatment the assets should roughly match the purchase price.

Brown hopes that the bid, if it is successful, will lead to a radical improvement in its existing plastics machinery business. It already has sales of £15m-£20m in this area, on which it loses money. The intention is that all Brown's existing plastic machinery and paper converting interests will become part of the new Leesona division, which will be run from Rhode Island by Leesona's existing management.

Leesona's products include: specialised machinery and dies for the production of profile sheets and extrusions; equipment for processing thermoformed plastics prodncts; cutting and granulating equipment; extrusion systems and components for injection moulding machines. In 1977, it acquired the Egan Machinery Company, from which Brown bas licensed technology over many years.

Leesona hopes to be able to maintain its profits in the current year. The bid will be financed by term loans, and at current interest rates it will not make a major addition to Brown's pre-tax profits. However, this is seen as "a strategic move which if it can be successfully concluded will be of fundamental advantage to the John Brown group internationally, greatly strengthening the security of its profits base and its overall management capability."

APPOINTMENTS

House of Fraser posts

HOUSE OF FRASER bas made the following changes: **Mr. D. K. Milligan**, formerly a director and company secretary of Harrods, is appointed e director and company secretary, following the retirement of **Mr. John Aiton**. While **Mr. C. F. L. Head**, managing director, Binns and **Mr. M. M. McMaster**, managing director, House of Fraser (Northern), are appointed directors.

*

Mr. J. A. Redmond and **Mr. S. A. Evans** are joining ANDERSON AND CO., stockbrokers, on January 28.

*

Mr. John Wilson has been appointed chairman of KING TRAILERS. He is also a non-executive member of the parent Boustead Board. **Mr. David Frost**, **Mr. John Amsore** and **Mr. Derek Rigby** have been elected executive directors.

*

Mr. Richard Davies, deputy vice-president of the NATIONAL TYRE DISTRIBUTORS' ASSOCIATION, has been elected vice-president and President elect, in place of **Mr. R. F. Earl**, who bas had to resign for business reasons. Mr. Davies is managing director of Richard Davies Tyres and is chairman of the Association's public relations committee.

*

Mr. Keith Potts has been made financial director of OFREX.

*

Mr. Ian Hawkins has become managing director of CLIFFORD PARTITIONING COMPANY following its acquisition by its directors from its parent company, A. W. Champion. Joining bim on the board is **Mr. Bob Cotton**, wbo had been managing director of a Clifford subsidiary company.

*

Mr. E. W. Pemberton has been elected to the Board of directors of PILAMEC.

Mr. R. E. Haslehurst has been appointed to the Board of ASTLEY AND PEARCE (STERLING).

*

LEADENHALL STERLING has made the following appointments: **Mr. G. J. Waters** joins the Board af Spembly as director, technical services division and **Mr. B. J. Bowles** director/general manager of Grafton Optical.

*

FRENCH KIER has made the following changes from February at Simplex Piling: **Mr. J. N. Birch** will, at his own request and for personal reasons, retire from his appointment ea managing director. **Mr. A. J. Wilkins** and **Mr. T. H. Holroyd** will become directors and Mr. Wilkins will be appointed managing director. At Birchwood Concrete Products **Mr. T. Keely** will become a director of the company and of its wholly owned subsidiary company, Birchwood Concrete (Scotland). Both companies are wholly owned subsidiaries of French Kier Products and Services.

*

MACARTHYS PHARMACEUTICALS has appointed **Mr. M. D. Bridges** to the Board in e non-executive capacity. **Mr. R. W. Shilling** and **Mr. D. W. S. Wright** have become managing directors of the retail, surgical and wholesale divisions respectively.

*

Professor Roland Smith has been appointed deputy ebairman of UNICORN INDUSTRIES. Professor Smith is chairman of the Senior Engineering Group and holds several other important non-executive appointments. **Mr. Claus Lindvall** has been appointed managing director of Craelius AB, the minerals exploration division of the diamond products group.

*

Dr. Clifford S. Johnston, director of the marine science unit of the Institute of Offshore Engineering at Heriot-Watt University, Edinburgh, and senior lecturer in marine biolngy in the University'e department of biological sciences, bas been appointed full-time director of the INSTITUTE OF OFFSHORE ENGINEERING. He succeeds **Professor Tom Patten**, now vice-principal of the University, who has been director nf the Institnte since its inception in 1972. Dr. Johnston's appointment is for an initial period of five years from January, 1980.

*

Mr. Michael E. Kelsey has been appointed managing director of ARROW-HART (EUROPE). He replaces **Mr. Allan E. Flatman** who has been appointed chairman until his retirement in September.

*

Dr. Ian George Sayce and **Mr. Edward White** have been appointed to the Board of THERMAL SYNDICATE. Dr. Sayce is research director and Mr. White is commercial director.

*

Mr. Clarence W. Spangle bas been appointed president and chief executive officer of MEMOREX CORPORATION. He is president of information systems, Honeywell Inc., and has been in charge of Honeywell's computer operations and a director of Honeywell Inc. since 1969.

*

Mr. P. E. Paulson has been appointed a director of the HOGG ROBINSON GROUP.

*

Mr. Dennis Bentley, assistant director, Reinco London, has been appointed vice-president of REINCO INTERMEDIARIES INC., in New York. **Mr. James Lamborn** has been appointed assistant-director and manager of REINCO LONDON.

*

Chief J. Akin George, chairman of James Kilpatrick (Nigeria), an associate company of the overseas companies division of Balfour Kilpatrick, has been elected president of the LAGOS CHAMBER OF COMMERCE. He is a director of Nigerian External Telecommunications.

CORAL INDEX: Close 448-453 (+3)

INSURANCE BASE RATES

† Property Growth	15¼%
† Vanbrugh Guaranteed	14¼%

† Address shown under Insurance and Property Table.

CONTRACTS

£3.7m channel dredging at Harwich harbour

Zanen Dredging and Contracting and Holland Dredging (UK) are involved in a joint venture for the deepening and re-alignment of the navigational channel by Harwich Harbour Conservancy Board at a cost of £3.7m.

*

J. C. BAMFORD EXCAVATORS has signed e contract with Honeywell for a twin computer system valued at £850,000. The DPS/4 is currently being installed at JCB's Rocester, Staffordsbire, beadquarters, and is expected to come on-stream early in the year.

*

THE GLACIER METAL COMPANY e member of the Associated Engineering Group, is to apply a number of tilting pad thrust and journal bearing assemblies worth more than £250,000 to Siemens AG of Berlin. These assemblies are destined for primary coolant pump motors for the Darlington nuclear power station in Canada.

The kitchens serving the four restaurants in the Swiss Centre, are being refurbished and enlarged by **JARVIS** under e £850,000 contract contract from Swiss Fair. A new staff restaurant is also being provided. Work commenced in November, 1979, and is scheduled for completion in August.

*

The Rahad Corporation in the Democratic Republic of the Sudan is embarking on a large development project to improve the irrigation of some 126,000 hectares of semi-desert on the east bank of the Rahad River. The project is to include a radio system devised and to be installed by **PYE TELECOMMUNICATIONS** for over £600,000. VHF base etations will be positioned at strategic locations known as group centres and local controllers will be able to communicate with field staff. The whole new complex of townships will be linked via line-of-sight multi-channel UHF radio links and these, together with the VHF base stations and mobile equipment, will be supplied by Pye Telecommunications.

*

Export orders for anaesthesia equipment worth more than £140,000 have been received from Greece and Romania by **CYPRANE**, a division of the Medishield Corporation. Fifty-two portable anaesthesia machines have been ordered for use in civilian and military hospitals in Greece, together with 40 portable anaesthesia machines, equipped with either vaporisers, for use in field applications wbere medical gases are not available. The Romanian Governmant has ordered 120 surgical gas mixers, which will become standard equipment on locally-made anaesthesia machines, as well as 300 vaporisers.

*

SMITHS INDUSTRIES has received orders from Rolls-Royce worth nearly £500,000 for RB199 and RB211 equipment. The orders include magnetic speed probes, tacho generators and pressure switches and transmitters for the engines of the Panavia Tornado and the Lockheed TriStar.

*

The Dover Harbour Board has placed an order with **PERKIN ELMER DATA SYSTEMS** worth £250,000 for a computer aystem to handle all the passenger and vehicle movemants at its Eastern Docks. The new real time system will be able to confirm reservations and display availability of space et any one of 24 video terminals. These terminals will be at every check point and will be on line to a dual Perkin Elmer 1636 minicompnter. Large monitor screens will also be installed in the restaurant, booking hall and other public areas to show the current arrival and departure status of all ships to the French and Belgian ports.

*

The newly formed finance company of **J. I. CASE-CASE CREDIT** has finalised as first transaction with Tamahill of Swansea. The order was placed with the Case-Poclain sales operation in Avonmouth for 10 580F backhoe-loaders and is valued at just under £200,000.

*

KENT PROCESS CONTROL has received an order for equipment worth £100,000 to be used in controlling the reaction, of a range of chlorinated paraffins used, among other things, as plasticisers and oil and paint additives at the "Cereclor" plant at ICI'a Mond Division'a Hillbouse works.

*

The Newcastle office of **HUMPHREYS AND GLASGOW SERVICES** has been awarded a contract by Motherwell District Council, Scotland. The contract worth £500,000 is for the internal and external modernisation of dwellings at Newmains. The contract period is 12 weeks and is scheduled for completion by April 5.

*

LEWIS OFFSHORE, of Stornoway, bas been ewarded a £1.6m piling contract by Shell/Esso for the North Cormorant Platform, 120 miles north-east of the Shetlands. The nine-month contract is for the production and fabrication of 28 piles. Each pile will be 250 feet long, 6 feet in diameter, and 2¼ ins thick, and each weighing 315 tonnes. A total of 6,000 tonnes of steel will be required.

*

PRIME COMPUTER has won a £2m contract to supply the Thames Water Authority with a distributed data processing facility by 1982. A total of nine Prime computers comprising three Prime 750 and six Prime 550 systems will be installed over an 18-month to two years period. The computer systems will be linked in a network through Prime'e interprocessor networking software Primenet.

*

Racal Acoustics bas won a contract worth £1m in the Army's Larkspur programme. Awarded by the Ministry of Defence (Procurement Executive), the order is for beadsets, boom microphones, and other accessories designed for use with the Larspur range of mobile transmitters and receivers.

SPAIN

January 25	Price %	+ or −
Banco Bilbao	209	
Banco Central	226	
Banco Exterior	211	
Banco Hispano	210	
Banco Ind. Cat.	135	
Banco Madrid	175	
Banco Santander	246	
Banco Urquijo	160	−2
Banco Vizcaya	215	
Banco Zaragoza	200	−1
Dragados	101	−1
Espanola Zinc	80	+1
Fecsa	56.7	−0.3
Gal. Preciados	35	
Hidrola	62.5	−0.5
Iberduero	62	+0.5
Petroleos	116	−1
Petroliber	73	
Sogefisa	115	
Telefonica	56.5	
Union Elect.	62.7	−0.5

GOLD FIELDS GROUP

GOLD FIELDS OF SOUTH AFRICA LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT

for the six months ended 31 December 1979

The unaudited consolidated profit for the six months ended 31 December 1979 is as follows:

	Six months ended 31 December 1979 R000	Six months ended 31 December 1978 R000	Year ended 30 June 1979 R000
Income from investments	43,146	25,626	60,993
Surplus on realisation of investments	—	6,013	7,256
Net income from fees, interest, etc.	5,041	3,504	7,822
	48,187	35,143	76,073
Sundry expenditure	3,440	3,547	7,563
Interest paid	1,902	2,486	5,294
Drilling and prospecting	1,538	1,061	2,153
Amounts written off	—	—	116
Profit before taxation	44,747	31,596	68,510
Taxation and minority shareholders' interest	1,420	1,152	1,827
Profit attributable to members	43,327	30,444	66,683
Earnings per share—cents	265	187	409
Dividend per share—cents	130	70	225
Times dividend covered	2.0	2.7	1.8
Net assets—as valued—cents per share	9,670	4,586	5,748

NOTES ON THE RESULTS:

1. Particulars of Listed Investments

	At 31 December 1979 R000	At 31 December 1978 R000
Stock Exchange Value	1,531,234	720,890
Book Value	174,652	168,387
Excess in Stock Exchange Value	1,356,582	552,503

2. Dividend Paid

The dividend of 155 cents per share declared on 17 August 1979, in respect of the year ended 30 June 1979, was paid on 5 October 1979 and absorbed R25,279,000.

DECLARATION OF INTERIM DIVIDEND

Dividend No. 52 of 130 cents per share has today been declared in Sonth African currency, payable to members registered in tbe books of the company at the cloee of business nn 6 February 1980.

Warrants will be posted to members on or about 13 March 1980.

Standard conditiona relating to the payment of dividends are obtainable at the ebare transfer officea and the London Office of the company.

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 8 February 1980 in accordance with the ebovementioned conditions.

The register of members will be closed from 9 to 15 February 1980, inclusive.

Registered and Head Office:
Gold Fields Building
75, Fox Street
Jobannesburg
2001

London Office:
49, Moorgate
London EC2R 6BQ.

25 January 1980

On behalf of tbe board
A. LOUW, Chairman
R. A. HOPE
Directors

United Kingdom Registrar:
Close Registrars Limited
803, High Road
Leyton
London E10 7AA.

UNITED INTERNATIONAL BOND FUND

NOTICE TO HOLDERS OF BEARER SHARES

A Final Distribution from the Fund in respect of the Accounting Period ended 28th December, 1979, will be paid on Friday, 25th January, 1980, to persons presenting coupon number 4 detached from Bearer Certificates. Tbe amount payable is U.S. $4.60 per share. Coupons may be presented at the office of the Trustee, The Bank of Nova Scotia Trust Company Channel Islands Limited, Queen's House, 13-15 Don Road, St. Helier, Jersey, Channel Islands, or at any of the Paying Agents listed below.

United International Bank Limited,
30 Finsbury Square,
London EC2A 1SN.

Algemene Bank Nederland, (Genève) S.A., P.O. Box 539, 12 Quai Général-Guisan, CH-1211 Genève 3, Switzerland.

The Bank of Nova Scotia, P.O. Box 5260, 5th Floor, Bank Saderat Iran Building, Government Road, Manama, Bahrain.

Algemene Bank Nederland in der Schweiz A.G., P.O. Box 944, 24, Schifflände, 8022 Zurich, Switzerland.

The Bank of Nova Scotia, P.O. Box 3859, 1st Floor, Al-Futtaim Tower Building, Deira, Dubai, United Arab Emirates.

Algemene Bank Nederland N.V., P.O. Box 2720, Faraj Bin Hamoodah Building, Sheikh Hamdan Street, Abu Dhabi, United Arab Emirates.

The Bank of Nova Scotia, Channel Islands Limited, Queen's House, 13-15 Don Road, St. Helier, Jersey, Channel Islands.

NOTICE TO HOLDERS

The audited accounts of the Fund for the Accounting Period to 28th December, 1979, are open to inspection during nsual business hours by any Holder at the Office of the Trustee, The Bank of Nova Scotia Trust Company Channel Islands Limited, Queen'a House, 13-15 Don Road, St. Helier, Jersey, Channel Islands.

Copies will automatically be sent to Holders of Registered Shares and may be obtained by the Holders of Bearer Sbares upon production of their Certificates et the Offices of the Trustee, Manager or any Paying Agent.

Signed: United International Management (C.I.) Limited, Managers,
14 Mulcaster Street, St. Helier,
Jersey, Cbannel Islands.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 6EB Telephone: 01-621 1917

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	73	Airsprung Ord.	73	—	6.7	9.2	4.3†
50	38	Armitage and Rhodes	39	—	3.8	9.7	2.5†
227	185	Bardon Hill	227	—	13.8	8.1	6.7†
101	83	Deborah Ord.	91	—	5.0	5.5	10.0
353	140	Deborah 17½% CULS	350	—	17.5	5.0	—
94	88	Frank Horsell	94	—	7.9	8.4	5.8
129	100	Frederick Parker	108	—	12.8	11.8	2.4†
156	105	George Blair	106	—	16.5	15.6	—†
62	45	Jackson Group	62	—	5.2	8.4	3.8†
153	118	James Burrough	115	—	7.2	6.3	10.1
300	242	Robert Jenkins	250	—	31.3	12.5	8.0†
232	175	Torday Limited	223	—	14.3	6.4	5.8†
34	16¾	Twinlock Ord.	27¾	—	0.8	2.8	5.5†
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
58	23	Unilock Holdings	55	—	2.8	4.7	11.7
84	42	Walter Alexander	82	—	4.4	5.3	6.4
190	136	W. S. Yeates	189	—	11.5	8.2	7.2

† Accounts prepared under provisions of SSAP 15.

INTRUDER ALARMS 1

Defence of premises of all kinds against the rising crime wave provides big growth prospects for the security industry. Here ELAINE WILLIAMS reviews the increasing range and sophistication of the systems available.

Reliance today on electronic watchdogs

THE SECURITY industry is one of the fastest growing in the world—thanks (if that is the right word) to the increase in many types of crime from petty thefts to acts of terrorism and the kidnapping of politicians and their families.

In Europe the security sector has broadened considerably from a very small base since World War II. Several major multinationals have grown up, including organisations such as Securitas, Chubb and Securicor. Europe bas also attracted some large U.S. companies which have set up subsidiaries; these include ADT, Cardkey Systems, Burns and Walter Kidde.

There are also companies which specialise in one or two leaders in their areas. In this area are Fichet-Bauche, MESL and Cerberus. Other companies have important positions within their own country but not in Europe as a whole. Among such are AFA-Minerva, SICLI, T and N and Saval-Kronenburg.

Industrial Market Research carried out a survey on five countries last year—the UK, Belgium, the Netherlands, France and West Germany—and forecast that by 1981 the total value for fire and intruder security products, systems and services would be £2bn, including alarms systems, such products as access control systems, closed circuit television systems and anti-bandit cameras.

The security market is a strange one because most customers are reluctant to invest large amounts of mooey in protecting their premises unless forced to by legislatioo or pressure from insurance companies trying to minimise the risk of burglary.

Industry observers believe that over the next 10 years a general increase in crime will promote a growing demand for their services. Stricter controls over the operation of guarding services and intruder alarm installations are likely to be established because of growing concern by police, insurers and the end-users themselves.

Confidence

Last year Sir Robert Mark, former Commissioner of the Metropolitan Police, said: "The Home Office and the police should demand that the security industry aim at raising public confidence by improved standards of co-ordination, of planning and accountability." He also said that each and every citizen should assume prime responsibility for protecting his own property. In Britain last year out of 69,000 reported burglaries less than 10 per cent were cleared up.

Chief Superintendent Arthur Snow, director of the Home Office Crime Prevention Centre, also had a stern warning for companies last year when he said that they would continue to be victims of serious crime as long as they refused to implement cost-effective crime prevention measures. He stated that theft, robbery, fraod and arson could mean the difference between profit and loss for a company.

Taking 1977 as an example, robberies netted an average of £918 and employee theft £317. During that year the value of property stolen in burglaries of commercial premises averaged £190 and there was 336,000 offeoces reported that year.

According to research, 90 per cent of thefts occur during daylight hours—some 70 per cent of them carried out by opportunists who succeed because of lax security. Only 3 per cent of Britain's 18m homes have security systems installed and of the 30,000 or so burglar alarms installed each year, only 7,000 are in private homes.

The National Supervisory Council for Intruder Alarms (NSCIA) — set up in 1971, with the help of the Home Office, police forces, insurance companies and the security industry to try to improve standards for burglar alarm installation—says that in the first six months of 1979 burglars stole a record £20.9m, 8 per cent more than in the corresponding period of 1978.

The council says that of the new systems added each year 34 per cent of burglar alarms are bell only; 50 per cent automatically dial 999 and 10 per cent activate alarms either in the security company's central control station or in a local police station.

Categories of premises which have alarms installed share the market as follows: private housing, clubs and small shops 36 per cent (15 per cent is housing); large retail outlets or wholesalers 6 per cent; offices and small trade outlets 32 per cent; public buildings 6 per cent; banks, building societies, post offices 11 per cent; factories and warehouses 6 per cent; public houses 2 per cent and doctors' surgeries 1 per cent.

This gives Britain's security industry a total market value at around £300m a year, and growing overall about 10 per cent a year. For example, profits of Chubbs, one of the leading groups, topped £15m for the year ended March 1979, a record performance. It noted increased orders from homes, business premises and museums.

Many of the larger security organisations in Britain had become concerned that the public image of the security industry was not a good one. So Chnbb, Security Express, Securicor and Sesco together decided several years ago to set up the British Security Industry Association to ensure that companies conformed to standards of behaviour and practices laid down by the association. This move, coupled with the work of the NSCIA, is intended to improve standards of security.

Improving alarm systems is, and needs to be, a major aim of the industry since despite all the technology available to alarm manufacturers, a staggering 90 per cent of all alarms sounded are false. Naturally the police and the public can have little faith in a system which is so unreliable.

Despite the obvious problems with alarm systems, insurance companies are pressing for the companies they insure to take better precautions about the protection of their premises, even to the extent of offering discounts on premiums. Moreover, any measure which can cut down the number of break-ins—because the police detection rate is so low—is bound to be welcomed by the police force. If they have a system which can be relied upon, they are more willing to respond to burglar alarm calls.

The growing size and importance of the alarm industry will be measured this year at the forthcoming International Fire Security and Safety Exhibition and Conference to be held at Olympia between April 21 and 25. According to the exhibition's organiser, Mr. Victor Green, more than 400 companies with interests equally split between security, fire protection and health and safety markets will be exhibiting the latest systems and products.

Keeping a check on technical standards

THE INCREASING use of burglar alarms both in industry and in the home has both advantages and drawbacks. It makes it harder to police such numbers of alarms but brings benefits because it deters all but the most determined criminals.

In the industrial and commercial field, most insurance organisations look favourably on companies which provide proper safeguards for premises and goods. Insurance companies can exert great influence on the type of alarm system a company instals. Managements will often ask their insurance companies to recommend a reputable alarm company. This organisation will then undertake a security survey and make specific recommendations to suit the customer's needs.

Before insurance cover is available an insurance company will usually insist on protection which meets certain set standards. The general advice is that the installed system should meet the minimum installation standard as laid down by Britisb Standard BS4737.

It is also recommended that the National Supervisory Council for Intruder Alarms (NSCIA) is requested to carry out an inspection, since this body will issue a certificate if the system meets the standard. Insurance companies are then far more willing to take on an insurance risk, provided that regular inspection and maintenance of the building takes place.

For large premises the alarm system usually bas automatic dialling equipment connected to a telephone line. It can dial 999 and transmit a pre-recorded message. According to Chubb Alarms the modern method of automatic telephone dialling is for the equipment to transmit electronic messages to a decoder unit located in the alarm company's communications centre, known usually as the central station.

Connected

Chubb says that the most secure type of warning is called a "direct line warning" which means that the system is connected by a private Post Office telephone line either to a police station or to the alarm company's central station.

Codes are transmitted along the telephone line to the special termination point and a signal shows on the indicator panel wheo there is an alarm. An alarm condition received at a central station is passed directly to the appropriate authorities.

Originally most police authorities made few objections to the installation of alarm equipment linked directly to local police stations so that alarms showed up on the station's own display panel. Unfortunately the high incidence of false alarms bas given such systems a bad name. This coupled with the limitation on police manpower caused some police authorities to rethink their original policies.

For example Bedford police no longer allow a direct connection between factory premises and local police stations. They believe that the responsibility lies with the company which installed the system to notify the police that an alarm has been sounded. In this way it is boped that equipment is designed to ensure that fewer false alarms occur and that police time is used more effectively.

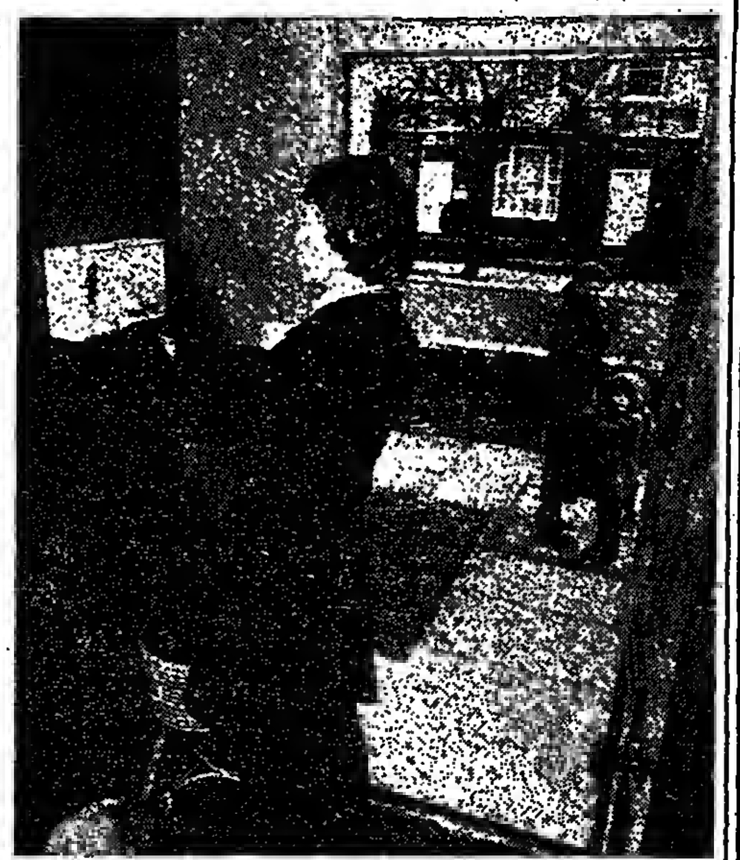
Private homes are still greatly at risk. The NSCIA says that in the first six months of 1979 burglars stole a record £20.9m—the figure, moreover, for insured property only.

This was 8 per cent higher than for the corresponding period of 1978, but the increase was in fact smaller than normal. In the past five years increases have ranged between 26 and 34 per cent. The council also urges private householders to ensure that any burglar alarms installed also meet the required standards. It warns of the dangers of baving alarms installed by companies not approved by it.

The council says that there are 115 approved NSCIA installers, all of which undertake intruder alarm systems to the required standard. The NSCIA maintains an inspectorate of electronic engineers organised on a regional basis who inspect the installations of the companies registered with it and investigate those seeking registration.

The NSCIA is controlled by a board known as the National Inspection Board, which has five members, appointed by the British Security Industry Association (BSIA), the ordinary members of the council which include engineers, architects and surveyors and one member from the ranks of the non-BSIA-controlled alarm installers.

The chairmanship of the board alternates between a representative of the British Insurance Association and the British Security Industry Association—a system which ensures that the interests of both insurers and those who provide the security service are met and regulated.



Simplicity of operation is the keynote of domestic alarm systems. Here the circuit (in this instance a Group 4 installation) is switched on as the family leaves the household.

INTRODUCER ALARMS 2

Quick to respond to new technology

ONE INDUSTRY which has no qualms about using new technology ia the security indnstry. Any new development or breakthrough in electronics systems quickly finds its way into security products. The reason is simpla. Criminals are adept at finding ways of foiling security systems—a knack the industry has to combat by changing and updating procedures as often as possible so as to make life difficult for the criminal fraternity. It is not unknown for criminals to have very sophisticated and well-equipped lahoratories to work on ways of disabling electronic alarms.

Happily many house burglaries are carried out on the spur of the moment and then only if the place appears to be inadequately guarded. A householder can reduce dramatically the chances of being burgled by an opportunist hy installing an alarm and good locks.

Silicon chips and other alectronics components have enahled the alarm manufacturers to develop systems which ten years ago were dreamt of only in science fiction. They have a wealth of techniques to choose from, depending on the type of premises to be guarded and the price the customer wants to pay to safeguard his premises and goods.

It is not so many years since even premises considered high risk had only simple types of alarms which responded to a door or window being opened. They were based on simpla types of switches such as are found in car doors to activate the interior courtesy light.

Today, sensors can react to light, heat, movement, pressure and sound to ensure that when someone is entering a huilding illegally, another person somewhere else knowa about it and can take prompt action. On many ahop windows, for example, tell-tale strips and wires run along the glass to warn potential hurglars that too much pressure will activate the alarm.

Inside buildings it is possible to instal detectors which either emit a tiny microwave beam—with harmless low energy—or an ultrasonic sound inaudible to the human ear. These types of detectors are abla to detect movement in the direction of the heam using the well-known Doppler effect. Obviously great care has to be taken in the siting of such sensors because small animals and the like have in the past (and still do) accidentally triggered off such alarms.

For large applications Chubb Alarms has developed System 8000, which can monitor an entire plant from one central point (as pictured above), identify any incident and give exact information on the action to be taken.

Excluded

Other kinds of detectors include microphone types which simply listen for any unusual sounds. This could inclnde the shattering of glass or continued hammering. Again all normal external noise has to he excluded to prevent false alarms.

One of the types of detectors less likely to generate false alarms are those operatiog in the infra-red spectrum. These are able not only to detect movement hut also the heat emitted hy the body. Infra-red detectors are considered to be very effective and have the advantage of heing relatively cheap to design.

Some companies still concerned by the high incidence of false alarms have developed such systems further. A company called Lander Alarms, hased in Scotland, makes a device called the Micrologic which detects both aound and movement hut needs real proof that illegal entry has occurred before the alarm is activated.

When it detects noise it does not necessarily aound an alarm but switches to its "alert" condition. If within a certain period of time it picks up movement, the alarm ia activated; if not, the system will go back to its original "watch" period.

Some companies also make use of radar type systems and infra-red cameras which allow night surveillance of large premises. Closed circuit television systems have become increasingly popular, with a security guard at a central console monitoring pictures coming from several hidden camera locations around the building.

Some companies with several premises to guard would prefer, however, to monitor all locations from a single point, using their own private system. But most conventional closed circuit systems can only be used over extremely ahort distances. This is because the camera employs very high freqeuocy signals, which cannot travel very far unless elaborate — and costly — additional techniqnes are introduced.

Recently a system has been developed which can overcome this distance limitation and it is possible to send television camera signals over the telephone line to the distant control centre. To do this the scanning rate of the camera, which builds up the picture, is slowed down so that it can be transmitted by telephone. This means that it takes 8.5 seconds to build up one frame on the television screen, hut this does not hamper the system's ability to detect intruders.

Another development which makes use of advanced technology is the use of optical fibres — bair-thin strands of glass which carry electronic signals superimposed on light waves. These can be woven into conventional "fencing" and are so small they are hardly noticeable. Each portion of the fence is woven with the fibre hut each fibre carries a different electronic signal dependent on its location.

If any part of the fence is cut the central control system can tell where the break is hecause it will lose the transmission of the light signal in the region of the hreak. Because each area of fence is different, it is easy to locata.

Within buildings, companies are increasingly installing access control systems involving tha use of a magnetic card or some form of electronic key which allows the holder access only to those parts of the building where he or she ia authorised to go. It has other functions sucb as keeping track of personnel movement in case of fire; some systems can even guide personnel out of a burning building.

Checking on callers. The Urmet Vidofono combined CCTV monitor/phone answers to a call button which operates a buzzer and lights up the screen to give a clear picture of the caller. The handset can be used to welcome the visitor and the hook to unlock the door. If no welcoming action is taken the caller need never know whether or not the premises are occupied.

Onus rests with management

MANY COMPANIES are still under the impression that one guard and a patrol dog is sufficient deterrent against unwelcome visitors. They also think that such a system is far cheaper than installing an electronic system. On both counts they are usually wrong.

One of the great fears of the security industry is that vandalism and terrorism will increase more rapidly than other types of crime. Having human guards patrolling the perimeter of a premises puts their lives at risk, often unnecessarily.

Many security manufacturers such as GEC-Marconi and Shorrocks Security Systems are trying to encourage their customers to consider the use of surveillance systems not only within the huilding complex itself hut also further out to the fence or walls surrounding the site.

The use of infra-red or seismic detectors (which are huried in the grouod and pick up vibrations) as well as positioned cameras, which also work at night, can give added seconds of warning to a company.

Often companies wishing to instal some form of alarm protection have undertaken the task in a very haphazard way with little idea of the hest approach to safeguarding their property. But this attitude is changing as companies become more aware of how much is at stake.

This means that alarm manufacturers and installers have to be prepared to supply the total system tailored to an individual organisation's needs, train that company's personnel in the running of the system, provide an adequate stock of spare parts and arrange regular maintenance to ensure that the system does not hecome downgraded with time.

In addition the installer's work must also satisfy the customer's insurance agents that the system meets certain required standards as well as being reliable enough to give police forces the confidence that when alarm bells ring it is not likely to be a false alarm.

The larger organisations in the security industry are happy to carry out this type of work because it gives them closer control over the installation. After all, it is their reputation which is at stake if the design does not come up to expectations.

Inside a building the concept of access control is becoming an increasingly popular way of moniloring premises to cut down petty theft, vandalism and the like. An example is Chubb Alarms' System 8000—a completely compnterised monltoring system.

Chubb says its system allows the security officer to monitor a large building complex from one central position, so that in the event of an incident he can deal with the situation from his desk, thus avoiding the dangers of a personal confrontation.

But like many other systems on the market System 8000 is not just a security tool. It can also he designed to handle fire detection and control systems, closed circuit television systems, plant machinery and control, heating and vantilation control, and access control.

Chubb, better known to the public for its locks, has had a wide range of experience in this type of system. System 8000 has been installed in hanks and in factories. Such systems are capahle of continuously monitoring vaults, doors, windows, foot-operated and other alarms, as well as providing sophisticated access control.

These types of systems can also monitor fences and perimeters using movemaot detectors such as those already descrihed as well as having the ability to be programmed to permit entry to particular people at certain times. Many manufacturers such as Shorrocks and Mastiff Security Systems concentrate on the access control systems, since the real dangers often lie within a company's walls and in the opportunist thief.

Using the system from Mastiff, each employee carries a small radio transmitter which allows the control system to identify individuals and providing the person has the relevant security clearance automatically unlocks doors as the person approaches. If a person approaches a door or areas without such permission the door stays firmly shut.

Remote

Modern Alarms is another large security company which specialises in the total system approach. Its microcomputer-hased control system can provide tha same facilities as offered hy Chubb, as well as its slow-scan televlsioo system with all the signals transmitted over the normal Post Office telephone network. This system is of particular ioterest for remote monitoring of protected sites when personnel are not retained on a permanent basis.

Not every company is large enough to be able to afford to use such a sophisticated surveillance network and small companies have to tailor their security to fit their pockets.

To cater for companies unable or unwilling to handle their own security because they do not have the manpower to do so, the security companies have systems which are simple hut equally effective.

Instead of alarms connected to a control panel within the premises they are connected via the telephone line to a ceotral station at the alarm installar's premises. If an alarm is tripped, the guards at the security company are alerted and they take appropriate action.

The growth of these central stations has come about mainly through the bigh number of false alarms which occurred when the systems wera allowed to he connected directly to local police stations.

This month Keot couoty police's deadline for users to remove all alarms signals from its local police stations came into force. The growing number of false alarms was overloadiog the capacity of the police to cope and there was a reluctance to monitor and respond to alarm systems.

Since this is becoming a general trend throughout the country, there is a growing need for such central stations which can discriminate between the genuine alerts and the numerous calls arising from faulty telephone lines, imperfect systems and animals inadvertently tripping alarms.

As it is the small to medium-sized businesses which usually have these types of systems, the security companies have undertaken to supply such a monitoring service which can no longer he undertaken hy the polce, and the numher of central stations is increasing.

WORLD STOCK MARKETS

NEW YORK

Profit taking on Wall St.

STOCKS TURNED broadly lower on Wall Street yesterday, following profit-taking and concern about interest rates and inflation.

By 1 pm the Dow Jones Industrial Average was down 5.72 to 874.23, reducing its gain on the week to 7.08, while the NYSE All Common Index, at $65.11, was off 21 cents on the day but still up $1.17 on the week. Declines outpaced advances by a two-to-one majority, while the trading volume decreased 13.83m shares to 30.51m compared with 1 pm Thursday.

News of a £1bn rise in the Basic Money Supply raised fears the Federal Reserve may move to tighten credit. Additionally, Citibank and Bankers Trust raised their Prime Rates to 15¼ per cent from 15 per cent, moving back into line with the rest of the major banks.

A 1.2 per cent rise in Consumer Prices in December while in line with expectations was still discouraging and put Consumer Price inflation for the year at 13.3 per cent.

Presidential inflation fighter Kahn warned that inflation might not fall below double digit rates until mid-year.

Analysts also said the Stock Market was ripe for a pullback after its sharp rise in January.

...Du Pont, however, picked up $⅛ to $41½, despite reporting lower fourth quarter net, earnings. Leesona jumped $7½ to $39½—it will be acquired by Tom Brown and Co. of London for $40 a share.

Volume leader U.S. Steel fell $1⅛ to $18⅞—a block of 1,058,600 shares traded at $18⅝.

Rosario Resources lost $3 to $9½ and Leana Mining $1¾ to $8⅞ bid. Over-the-counter a proposed Mexican Excess Profits Tax on Gold and Silver operations will reduce their Mexican earnings.

Hudson Bay Mining slipped $⅞ to $29⅜ xd—it said the U.S. Federal Trade Commission wants more data on its proposed take-over of Rosario Resources.

Financial Federation jumped $3⅛ to $37½—it received a merger offer from Gibraltar Financial of $45 a share cash. Gibraltar Financial held unchanged at $10¾.

Active Chrysler rose $⅛ to $8⅜—Indiana Representative Elwood Hollis charged in Congress that Mitsubishi Corp. is trying to force Chrysler into bankruptcy.

Ford Motor lost $1⅛ to $32⅞.

AMERICAN SE prices declined in heavy trading. The Index slipped 0.35 to 265.25, reducing its rise on the week to 1.79.

Sharon Steel lost $1¼ to $19⅜—it faces an Insider Trading Investigation. Gulf Canada reacted $1¼ to $102¾ after a big jump Thursday on news of higher 1979 profits.

Wainoco Oil rose $⅞ to $35⅞—it completed two Galveston Bay, Texas oil wells. Golden Nugget jumped $2⅛ to $20⅛ on a fourth quarter profit, up from a loss a year before.

Closing prices for North America were not available for this edition.

Canada

Slightly higher levels prevailed yesterday when the Toronto Composite Index up 0.9 at 1953.5 by noon.

The Oil and Gas Index moved up 24.8 to 3975.7, Golds 4.4 to 2881.7, Utilities 0.71 to 255.93 and Papers 0.41 to 185.09. But Metals and Minerals lost 7.3 to 2060.6 and Banks shed 1.28 to 324.38.

Peyto Oils jumped $5⅜ to $21⅞ and Westburne, which plans a $22.75 a share bid for Peyto, rose $2¼ to $95⅛. Imperial Oil gained $⅝ to $42 on higher earnings.

Lacana declined $1⅛ to $10⅛—profits from its Mexican mine operations will be reduced about 30 per cent, due to higher taxes.

Australia

Overseas demand for Australian Resource stocks pushed key market indicators to record highs.

Mining sector rises outnumbered falls by about four-to-one, helped by steadier World Commodity Markets. There was strong local and overseas sentiment for Western Mining following another large Copper Uranium deposit in South Australia.

Woodside Petroleum jumped 16 cents to A$2.68.

Coal Miner Thiess rose 34 cents to A$7.84, Peko Wallsend 20 cents to A$9 and Pancontinental 20 cents to A$8.50.

A number of special situations highlighted Industrial trading with Brewer Tooth's moving 15 cents to a record high of A$2.40, on renewed speculation that it was about to announce a take-over bid for the Property group Hookers and hive off its hotel operations into a Property Trust.

Tokyo

Share prices closed higher, pushing the market average to a new record for the fifth consecutive day on active selective buying over a wide front.

Large capital issues such as Steels, Heavy Electric Machine Makers and Shipbuildings led the gains, while Financial Institutions firmed in line with overnight Wall Street.

Natural Resources and Defence-Related issues also firmed, but non Ferrous Metals, Machine Tools and Shippings were generally lower on profit-taking.

Germany

Mixed close, with many major shares down. Observers said the weakening was largely a technical reaction to a three-day rally.

Technical reasons aside, dealers said markets had probably been soured by a weakening in the West German Bond Markets.

Bundesbank intervened in the Bond Markets and purchased stock valued at DM 13.9m.

Steels and Utilities countered the general trend, however, and posted rises across a broad front. Thyssen rose DM 1.7 to 83 in the wake of an announcement that its 1979 dividend would be unchanged at DM 4 per share and that 1979 profits advanced 67 per cent.

Banks and Machines suffered the greatest sector-wide losses.

Motors were fairly widely mixed, while Chemicals, Electricals and Stores were more narrowly mixed.

Weapons Makers continued to make impressive gains, although dealers noted that the West German firms are closely held companies operating in a thin market. Krauss-Maffei added DM 180 at DM 1,780. Buderus, which controls nearly all of Krauss-Maffei stock, added DM 40 at DM 530.

Paris

French shares closed mixed after a promising start in a calm pre-weekend session. Profit-taking was chiefly responsible for wiping out early gain.

Banks, Portfolios, Foods and Chemicals were in demand among French issues, while Rubbers and Stores mainly lost ground.

Bouygues lost FFr 17 to FFr 680, despite a one-for-four free scrip issue.

Americans, Gold Mines and Dutch issues were generally easier, but Germans, Canadians, Oil and Coppers did well.

Hong Kong

Sharply higher across the Board although off the day's highs in hectic trading, with the Hang Seng Index rising 18.74 to a new six-year high of 920.01. Turnover also sharply up at HK$106 and at its highest level since 1973.

Despite late profit-taking buying interest was strong buoyed by the new record Index levels, the recent strength of the local currency and news of a narrower currency and news of a narrower December Trade Deficit.

Brussels

Mixed in very light trading.

Gold was unquoted for the third day in a row, although dealers set an indication price of BFr 625,000 a kilo.

Utility, Chemical and Oil stocks ended almost unchanged. Steel and non-Ferrous Metals slipped slightly, and Holding Company shares were mixed.

Among International shares, Zaire and South African issues were mixed, Dutch and French Securities gained and German shares slipped. U.S. stocks were mixed.

Indices

NEW YORK—DOW JONES

	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 18	Jan. 17	1979-80 High	1979-80 Low	Since Compiln High	Since Compiln Low
● Industr'ls	879.95	877.56	886.21	872.78	867.15	863.57	887.81 (5/10)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	72.66	72.77	73.27	73.14	75.04	75.68	86.10 (16/8)	72.66 (24/1/80)	—	—
Transport	275.17	272.54	268.84	268.88	265.58	264.41	275.17 (24/1/80)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	107.91	107.71	107.51	107.65	107.95	108.12	108.74 (17/12)	98.24 (24/10)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's†	59,970	50,750	50,620	48,540	47,150	54,170	—	—	—	—

●Day's high 891.38 low 874.15

Ind. div. yield %	Jan. 18	Jan. 11	Jan. 4	Year ago (approx)
	6.40	6.30	6.03	3.81

STANDARD AND POORS

	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 18	Jan. 17	1979-80 High	1979-80 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	128.25	127.91	125.66	126.38	125.04	124.58	128.25 (24/1/80)	107.08 (27/2)	134.64 (11/7/73)	3.52 (30/6/32)
§Composite	115.71	115.44	111.51	112.10	111.07	110.70	115.71 (24/1/80)	96.13 (27/2)	125.85 (11/1/73)	4.45 (1/6/32)

	Jan. 23	Jan. 10	Jan. 2	Year ago (approx)
Ind. div. yield %	4.97	5.11	5.22	4.95
Ind. P/E Ratio	8.14	7.25	7.78	2.06
Long Gov. Bond Yield	10.66	10.32	10.27	8.21

N.Y.S.E. ALL COMMON

Jan. 24	Jan. 23	Jan. 22	Jan. 21	1979-80 High	1979-80 Low
65.32	65.13	64.13	64.31	65.32 (24/1/80)	53.88 (27/3)

Rises and Falls

	Jan. 24	Jan. 23	Jan. 22
Issues Traded	1,837	1,895	1,210
Rises	868	980	540
Falls	578	548	294
Unchanged	390	666	672
New Highs	195	118	98
New Lows	18	22	23

MONTREAL

	Jan. 24	Jan. 23	Jan. 22	Jan. 21	1979-80 High	1979-80 Low
Industrial	346.58	345.83	342.61	351.69	351.69 (21/1/80)	216.15 (2/1)
Combined	325.94	324.48	322.98	336.45	339.45 (21/1/80)	226.80 (2/1)
TORONTO Composite	1952.6	1954.1	1920.7	1973.2	1973.2 (21/1/80)	1515.9 (2/1)

World indices

	Jan. 25	Jan. 24	Jan. 23	Jan. 22	1979-80 High	1979-80 Low
AUSTRALIA						
Sydney All Ord. (1/1/80)	840.10	825.95	808.23	825.07	840.10 (25/1/80)	545.72 (2/1/79)
Metals & Mins (1/1/80)	5590.94	5427.57	5201.81	5436.54	5590.94 (25/1/80)	2687.34 (2/1/79)
AUSTRIA						
Credit Aktien (2/1/62)	68.43	68.54	68.77	68.72	69.40 (7/1/80)	61.53 (2/5)
BELGIUM						
Belgian SE (31/12/63)	102.56	102.49	102.47	102.66	109.47 (5/10)	98.80 (5/1/79)
DENMARK						
Copenhagen SE (1/1/73)	92.40	92.64	93.56	93.57	97.48 (25/7)	92.40 (25/1/80)
FRANCE						
CAC General (29/12/61)	108.90	108.0	106.9	106.9	116.1 (5/10)	82.4 (19/2)
Ind Tendance (29/12/78)	—	104.7	102.0	102.4	104.7 (24/1/80)	99.8 (3/1/80)
GERMANY						
FAZ-Aktien (31/12/58)	224.78	224.67	222.89	220.2	265.68 (19/1/79)	216.11 (21/1/80)
Commerzbank(Dec.1953)	705.8	705.5	698.1	694.7	859.60 (16/1/79)	698.5 (21/1/80)
HOLLAND						
ANP-CBS General (1970)	84.15	85.4	82.5	82.5	94.2 (24/1/79)	81.2 (21/1/80)
ANP-CBS Indust. (1970)	87.10	86.9	86.4	65.6	85.9 (24/1/79)	65.5 (21/1/80)
HONG KONG						
Hang Seng Bank(31/7/64)	920.01	901.27	876.58	884.91	920.8 (25/1/80)	493.93 (2/1/79)
ITALY						
Banca Comm. Ital (1972)	90.33	85.40	90.46	90.46	95.56 (4/10)	58.58 (2/1/79)
JAPAN						
Dow Average (16/5/49)	6767.77	6746.93	6694.78	6684.58	6767.71 (25/1/80)	5925.87 (10/4)
Tokyo New SE (4/1/68)	468.03	466.47	466.21	464.05	468.03 (25/1/80)	435.15 (15/7)
NORWAY						
Oslo SE (1/1/72)	135.90	139.38	138.29	138.52	142.22 (13/12)	74.46 (16/1)
SINGAPORE						
Straits Times (1966)	456.46	448.21	444.67	447.96	456.46 (25/1/80)	348.34 (23/2)
SOUTH AFRICA						
Gold (1958)	—	324.4	315.8	(618.1)	566.9 (14/1/80)	228.4 (2/1/79)
Industrial (1958)	—	480.1	458.9	(485.4)	475.9 (15/1/80)	270.50 (2/1/79)
SPAIN						
Madrid SE (28/12/79)	100.96	100.72	100.75	101.24	102.92 (18/1/80)	99.31 (15/1/80)
SWEDEN						
Jacobson & P. (1/1/58)	372.90	353.20	359.32	355.06	401.34 (8/2)	331.37 (24/8)
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	307.40	307.5	306.5	306.7	329.15 (2/5)	234.00 (5/1/79)
WORLD						
Capital Intl. (1/1/70)	—	157.5	156.8	135.5	107.5 (24/1/80)	122.2 (1/5)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000: the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. ● Closed. µ Unavailable.

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
Marriott	802,400	22⅞	+⅛	Benguet	517,500	11¼	+¼
Texaco	754,800	35¼	+⅛	Gulf Oil	511,800	38¼	−¼
Boeing	550,800	65	−¼	Utd. Technologs.	486,000	51¼	+⅛
IBM	547,600	70⅛	−⅛	Am. Home Prds.	434,600	27	+⅛
K Mart	521,200	22	+⅛	Diamond Shmrk.	423,600	33⅛	+⅛

CANADA

BELGIUM (continued)

DENMARK

FRANCE

GERMANY

BELGIUM/LUXEMBOURG

HOLLAND

ITALY

NORWAY

SWEDEN

SWITZERLAND

AUSTRALIA

JAPAN (continued)

SINGAPORE

HONG KONG

SOUTH AFRICA

JAPAN

AUSTRIA

BRAZIL

Financial Rand US$1.04 (Discount of 16%)

Spanish prices, Page 18

INTERNATIONAL COMPANIES and FINANCE

Sasol ahead of earnings forecast

By Quentin Peel in Johannesburg

SASOL, the South African oil-from-coal producer which went public last October, has exceeded profit projections in its half-year results, but has declared an interim dividend in line with the original forecast.

The first dividend from the former state-owned chemical giant, which attracted a massive over-subscription for its R525m ($642m) share issue, giving it a larger market capitalisation than any other South African industrial share, was declared at 4.5 cents a share, out of earnings of 13.6 cents per share.

Unaudited consolidated income before tax for the half year ended December 29 was R86.25m ($105.7m), and net attributable income was R51m. The company said yesterday that profit after tax for the current six months should be maintained at approximately the level of the first half year.

The company's prospectus declared in October that after-tax profits for the year ending June 1980 would be R94m.

Sasol at present only operates its original Sasol 1 oil-from-coal plant, although it will eventually incorporate the far larger Sasol 2 and 3 plants under construction. Between them the three facilities should bring liquid fuel production from coal to something approaching half of South Africa's requirements.

SICAV funds expand

Net subscriptions to the 21 open-end French investment funds (SICAV), set up since July 1978 under the so-called "Monory Law," increased by 18.2 per cent last year to FFr 4.08bn (about $1bn) from FFr 3.45bn at the end of 1978, writes AP-DJ from Paris.

Volvo to increase dividend after sharp rise in profit

BY WILLIAM DULL IN STOCKHOLM

VOLVO has become the first Swedish company to break through the SKr 1bn earnings barrier. Announcing its provisional 1979 results yesterday, the car and truck group reported a pre-tax profit of about SKr 1.2bn ($289m) on turnover of SKr 23.4bn ($5.64bn).

Earnings were almost double the SKr 646m recorded in 1978, and represent a profit margin of 5.1 per cent compared with the 3.4 per cent of the previous year. Sales climbed by 22 per cent, while net adjusted earnings rose by SKr 10 to SKr 28.30 a share.

The 1979 provisional net profit is estimated to be SKr 220m, ahead by SKr 80m, and the board proposes to raise the dividend from SKr 7 to SKr 8 a share. After the increase in share capital through last year's rights issue, this would make a total payment of SKr 169m compared with SKr 124m for 1978.

The board warned that the accounts have not been closed, and that the audited figures due for publication on March 25 may deviate from the estimates announced yesterday.

It is nevertheless evident that Volvo has recovered strongly since 1977, when earnings plummeted to SKr 351m. The year 1979 ended on a high note for Mr. Pehr Gyllenhammar, the managing director, when in December he was able to sign a co-operation agreement with Renault, opening the way for the French motor group to take a 20 per cent stake in Volvo's car business.

That Volvo would break the SKr 1bn earnings barrier had been foreshadowed in the nine-month interim report, but a final result as high as SKr 1.2bn is surprising. Mr. Gyllenhammar painted a sombre picture of the future when the nine-month figures were published in November, and in December Volvo announced a 1980 car production target of 305,000 units, some 15,000 lower than in 1979.

Fourth quarter earnings were SKr 339m, lower than the SKr 410m of the second quarter, which is consistently Volvo's best, but well ahead of the first quarter's SKr 235m and the third quarter's SKr 216m. Fourth quarter earnings in 1978 were only SKr 138m.

Volvo's 1979 result was boosted by SKr 120m in financial support from the Dutch Government for the production in Holland of the medium-sized 340 car. Of this sum SKr 90m was credited in the fourth quarter.

Exchange rate fluctuations enabled Volvo to write down the value in Swedish kronor of its foreign debt.

Elf-Aquitaine boosts spending

BY DAVID WHITE IN PARIS

ELF-AQUITAINE, France's number two oil company, plans to spend FFr 80bn ($20bn) over the next five years, channelling its sharply increased profits into an ambitious exploration and production programme.

Net profit for the group is estimated at FFr 6bn for 1979. This is four times the previous year's figure of FFr 1.5bn and more than twice the level forecast at the beginning of the year. More than FFr 1bn of the total came from the refining and distribution sector, which in 1978 was still making losses at the end of a long crisis.

Consolidated cash flow is reckoned to have doubled from FFr 6bn to FFr 12bn, not counting revaluation of stocks, and the group's sales are put at FFr 55bn, compared with FFr 41bn in 1978.

M. Albin Chalandon, the chairman, who has strongly resisted left-wing campaigns to cream off oil companies' profits, announced investment plans of FFr 10bn for this year compared with about FFr 7bn in each of the last two years. Some FFr 1bn would go on exploration and development of oil and gas deposits in France.

The five-year investment programme outlined by the 70 per cent state-owned group was aimed at bringing crude oil production up to between 25m and 30m tonnes in 1985, against 18m tonnes in 1979. Gas output would also increase during the period, M. Chalandon said.

The group's 1980 investment programme includes FFr 1.2bn on diversification efforts, including the setting-up of a new branch dealing with energy sources.

Second-half upturn lifts Sanyo Electric

BY CHARLES SMITH IN TOKYO

SANYO ELECTRIC Company, one of Japan's leading electrical consumer durables manufacturers, increased its operating profits by 38 per cent in the 12 months ended November 30, 1979. Operating profits totalled Y28.5bn compared with Y20.6bn in the previous year. Net profits rose by 33.3 per cent to Y15.12bn ($63m). In the case of both net and operating profits, the company achieved a much sharper improvement in the second half of the year.

Sanyo's sales were up 10.7 per cent during the year and totalled Y584bn ($2.4bn). Domestic sales accounted for 58.4 per cent of the total, compared with 55.1 per cent.

The company's exports fell slightly during the first half of the year, but recovered in the second half, reflecting the impact of a weaker yen. For the year as a whole, exports showed only a 2.7 per cent growth.

Sanyo said yesterday that it expects its after-tax profit for the 1980 business year to increase by about 32 per cent to Y20bn from Y15.13bn last year, on sales of Y670bn, up from Y584bn. The anticipated rise follows increased sales of audio and home heating equipment in Japan and improved export profitability.

The sales total will include export sales of Y265bn, up about 9 per cent from last year.

FCC strips RKO of TV licences

By Our New York Staff

THE FEDERAL Communications Commission (FCC) has sent tremors through the independent broadcasting industry by ruling that RKO, the broadcasting subsidiary of General Tire and Rubber, is not qualified to continue holding licences for three TV stations, in New York, Boston and Los Angeles.

RKO is one of the largest independent broadcasting groups in the U.S., and, if followed through, the FCC's action would probably be the most severe of its kind ever seen. However, RKO vowed yesterday to fight the decision.

The FCC's ruling was based on information that came up in 1975 and 1976 to the effect that General Tire and Rubber had been involved in questionable payments, both in the U.S. and abroad. The Commission also said that it was concerned about reports that General Tire pressed companies into placing advertisements with RKO as a condition of doing business with General Tire.

The potential financial damage of the FCC's action lies in the fact that denial of a licence prevents a company from selling that licence to another company. If the action is upheld, therefore, RKO will be stripped of its most valuable asset, which it earlier valued at between $300m and $400m.

General Tire said yesterday that it was "shocked" by the ruling.

U.S. oil majors continue strong advance in profits

BY DAVID LASCELLES IN NEW YORK

EXXON, the world's largest oil company, increased its earnings by 60 per cent in the last quarter of 1979, from $853m or $1.92 per share to $1.37bn or $3.10.

This placed Exxon roughly in the middle of the earnings gains league which has brought U.S. oil majors increases ranging from 25 per cent to over 100 per cent this week. But in a highly unusual move, Exxon held an hour long Press conference yesterday featuring all its top management to justify these increases before highly hostile public.

Mr. Clifton Garvin, chairman, stressed the now familiar themes that the U.S. oil industry has long earned a return well below the industrial average, and that it needs bigger profits to reinvest in an increasingly uncertain and expensive outlook for energy.

Adjusted for inflation, he said, return on shareholders' equity last year was 11.3 per cent, which was well up on the last four years, but still below the 12.8 per cent peak of 1973.

Most of Exxon's increase in earnings was due to higher oil prices. But Mr. Garvin claimed that the so-called Aramco advantage (under which members of the Saudi Arabian consortium have been receiving oil at prices well below world levels) had been wiped out by retroactive Saudi price increases.

He also said that Exxon had actually incurred a loss $67m on its U.S. refining and marketing operations despite higher prices at the pumps, mainly because of higher production costs and retail price controls.

Exxon's fourth quarter results brought year-end earnings to $4.29bn (or $9.74 per share), up 55 per cent on last year's $2.76bn (or $6.20). Revenues rose from $64.9bn to $84.4bn.

Sun Oil, eleventh in the U.S. league, more than doubled its earnings in the final 1979 quarter, from $107m (or $1.84 per share), to $222.9m (or $3.73). Revenues rose 50 per cent to $3.2bn. Year-end earnings were $699.9m (or $11.77 per share), up from $414.7m (or $7.08). Revenues rose from $7.6bn to $10.8bn.

But Marathon Oil's final quarter earnings were down to $54.3m (or $0.90 per share) from $73.9m (or $1.23) in the final quarter of 1978, because the 1978 quarter contained an exceptional gain from the sale of an interest in a German refinery. Full-year earnings rose to $323.2m (or $5.34 per share) from $225.2m (or $3.73). Revenues for 1979 were up from $4.95m to $7.20bn.

Imperial Oil also reported a substantial increase in earnings in the final quarter. For the full year, net earnings jumped from $314m or $2.41 a share to $471m or $3.61. Sales added $1bn to a total of $6.6bn.

The final quarter brought earnings of $162m or $1.24 against $90m or 69 cents last time, with revenue figures not disclosed.

The figures, said the company, include an extraordinary gain of $22m in 1979 from the sale of the 20 per cent stake in the syncrude project to the Alberta Energy Company.

Loss on year at Singer

BY OUR NEW YORK STAFF

SINGER, the troubled U.S. sewing machine maker, reported a sharp drop in fourth quarter earnings. Net income was $6.5m or $0.31 per share, down from $15.6m or $0.83 in the same period last year. Sales, however, were up slightly from $670.3m to $698.8m.

This means Singer made a loss of $92.3m in 1979 compared to an operating profit of $60.3m in 1978. Sales for the full year were up from $2.47bn to $2.60bn.

The company said the 1979 loss was due to the $130m it had set aside to cover the restructuring of its North American and European operations. But Mr. Flavin, chairman, said: "While the company's short-term outlook has been impacted by the restructuring programme, we are confident that, long-term, the actions undertaken will serve to stem the losses in our North American and European business. I am pleased to report the progress of our restructuring programme remains on target."

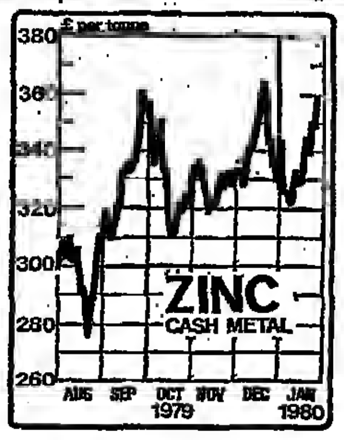
Singer is still seeking a buyer for the plant in Glasgow which was shut down last year.

A strike at its important Elizabeth, New Jersey, plant was settled last weekend.

COMMODITIES/REVIEW OF THE WEEK

Speculative fever drives copper up

BY OUR COMMODITIES STAFF



COPPER ROSE strongly yesterday after a week of hectic trading and wildly fluctuating prices. On Monday the three months wirebars quotation jumped by £85 to a record level of £1,312.5, subsequently fell back to £1,200 and last night closed at £1,262.5 a tonne, £35 up on the week. Cash wirebars gained £59 on the week to £1,256 after reaching a peak of £1,318.5, still well below the all-time high of £1,400 achieved in 1974.

Mainly responsible for the rise in the market, and the wild fluctuations, was the influence of gold. Once again speculators dominated the market, with heavy purchases being interspersed by periods of substantial profit-taking sales.

The only fundamental supply-demand development was confirmation that workers at the big El Teniente mine in Chile had gone on strike over a pay claim. However, the main feature of the week was undoubtedly the build-up of speculative interest in copper, including the purchase of large quantities of cash copper that at one time drove the spot price above the three months quotation.

It is believed that some large speculators, worried by the restrictions on gold and silver trading, have decided to switch into other commodities, notably copper. This led to the New York copper market also restricting trading and this may have pushed even more business to London. Certainly yesterday copper moved up while gold was going down.

Other metals were also heavily influenced by the wild gyrations in gold, silver and copper.

Zinc, however, was boosted by several producers announcing a rise in their official European producer price from $780 to $825 a tonne. European smelters, who may not be so keen to raise prices in view of the sluggish demand, have so far not followed the lead set by producers. But the cash zinc price on the Metal Exchange rose by £19 to £360 a tonne.

Rumours of an impending price rise by producers also lifted nickel futures, where cash nickel gained £120 on the week to £3,050 a tonne.

World sugar prices were again influenced by speculative activity in the gold market and the May position on the London futures market ended the week £26 up at £216.375 a tonne. Meanwhile the London daily raw sugar price gained £17 to £209 a tonne, a new 3½-year high.

Continued rumours of Russian buying also encouraged the rise in sugar prices while traders appeared to ignore the threat of releases from International Sugar Organisation reserve stocks now that the price has risen above the trigger level of 19 cents a pound.

There was little evidence of spill-over gold fever affecting the London coffee futures market, however.

Aggressive selling by Central American producers, particularly Colombia which cut its export prices sharply, pushed prices down to their lowest levels since before July's Brazilian frost. Selling by the Bogota producer group and uncertainty over Brazil's 1980 marketing policy also encouraged the decline which left March futures £57 down at £1,487.5 a tonne.

Wool prices were affected by the general euphoria with the wooltops quotation climbing 5p to 280p a kilo. The rise coincided with the launch of the new London New Zealand Crossbreds market which got off to a lively start. This market is the first in London to be quoted in New Zealand dollars.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979/80 High	1979/80 Low
METALS					
Aluminium	£770/810*	—	£710	£790	£710
Free Markets c.i.f.	$1850/1950	—	$1,270/80	$1,900	$1.210
Antimony					
Free Market 99.6%	$5250/5375	-22.5	$2,725/775	$3,275	$2,719.5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MARKET REPORTS

BASE METALS

COPPER—Sharply higher in hectic trading on the London Metal Exchange. After opening at £1,220 and rising to the mid-£1,230s in early trading, forward metal rose quickly on the second ring to trade at £1,253 following aggressive buying from one quarter. This buying gathered pace on the morning kerb where the price advanced to £1,290, owing to fresh speculative buying and news that the El Teniente miners in Chile are to strike. However, the afternoon saw heavy speculative selling and profit-taking which pared the price to £1,250 on the late kerb. Turnover 33,850 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1250-2	+52.5	1255-7	+42
3 months	1253-5	+44	1262-3	+37
Settlem't	1252	+55	—	......
Cathodes				
Cash	1215-20	+69.5	1210-2	+45.5
3 months	1236-7	+57.5	1234-5	+38.5
Settlem't	1220	+71	—	......
U.S. Prod	—	......	*113-23	......

Morning: Wirebars cash £1,245, 46, three months £1,230, 31, 33, 35, 36, 37, 38, 42, 43, 45, 46, 47, 48, 49, 50, 48, 47, 48, 49, 50, 52, 53. Cathodes, three months £1,232, 35, 37, 36, 37. Kerb: Wirebars, three months £1,280, 85, 90, 85, 83, 85, 80, 78, 80, 78, 75, 77, 75, 71. Afternoon: Wirebars, three months £1,275, 70, 65, 67, 68, 65, 66, 68, 67, 72, 68, 66, 65, 64, 63, 62, 60, 62, 63, 64, 65, 64, 63, 62. Cathodes, three months £1,235. Kerb: Wirebars, three months £1,265, 63, 62, 61, 60, 57, 55, 54, 53, 51, 55, 56, 57, 56, 58, 56, 59, 56, 58, 57, 58, 56, 55, 54, 58, 55, 53, 55.

TIN—Firmer in quiet trading. The initial rise in copper saw forward tin open higher at £7,370 and edge up to £7,380 in the morning rings. In the afternoon the market held steady around these levels prior to closing the late kerb at £7,385. Turnover 1,370 tonnes.

[illegible]

Morning: Three months £365, 68, 69, 70, 72, 71, 72, 75, 76, 75, 74. Kerb: Three months £375, 76, 77, 75. Afternoon. Three months £373, 70, 71, 72, 73, 74. Kerb: Three months £374, 73, 72.

ALUMINIUM—Easier in quiet trading with the market influenced by forecasts of a large increase in warehouse stocks. Forward material moved up to £914 in the morning on the back of the sharp rise in copper but failed to hold this level as heavy selling developed in the afternoon. This selling depressed the price to the day's low of £902 prior to a close on the late kerb of £906. Turnover 4,450 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	899-901	+5	885-7	-13.5
3 months	913-4	+.5	902-3	-11

Morning: Cash £900, three months £907, 09, 10, 11, 12, 14, 15, 13, 14. Afternoon: Three months £913, 11, 12, 10, 07, 05, 04, 03, 05, 03, 02. Kerb: Three months £905, 06.

NICKEL—Lower. Forward metal gained ground in the morning rings to touch £3,215 as copper moved higher. However, profit-taking developed and this together with aggressive selling in the first ring in the afternoon saw the price fall back to £3,150 before closing the late kerb at £3,170. Turnover 858 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	3065-75	-15	3045-55	-20
3 months	3185-90	-2.5	3170-5	-12.5

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £3,200, 10, 15, 10, 3,200, 3,190, 85, 80, 85. Kerb: Three months £3,200, 3,160, 85, 70, 80. Afternoon: Three months £3,195, 90, 3,200, 3,180, 60, 50, 60, 70, 65, 70, 75, 70. Kerb: Three months £3,180, 70.

SILVER

[illegible]

COCOA

[illegible]

COFFEE

COFFEE	Yesterdays Close £ per tonne	+ or —	Business Done
January	1446.50	-29.5	1495-58
March	1585-90	-20.0	1525-27
May	1503-05	-13.5	1532-86
July	1519-21	-16.0	1349-05
Sept	1560-35	-18.0	1556-15
Nov	1485-18	-43.5	1550-30
January	1510-30	-17.5	—

Sales: 12,516 (8,433) lots of 5 tonnes. ICS indicator prices for Jan. 24 (cents per pound). Other Mild Arabicas 180.00 (168.00), Robusta ICA 1976 159.00 (157.00), ICA 1968 159.25 (157.25). Unwashed Arabicas 213.00 (same). Comp. daily ICA 1968 180.50 (178.33).

GRAINS

LONDON GRAIN FUTURES—Old crop wheat opened 20p higher and values quickly dropped in very thin trading to close 10-20 down on the day. Barley values eased from unchanged to close 20p lower. New crops saw virtually no trading and closed unchanged on the day, reported Acli.

M'nth	WHEAT Yest'rdays close	+ or —	BARLEY Yest'rday close	+ or —
Jan				
Mar.	88.70	-0.20	96.75	-0.20
May.	103.95	-0.10	100.73	-0.20
Sept	96.75	......	93.70	......
Nov.	100.50	......	97.30	......

Business done—Wheat: March 100.00-99.70, May 104.25-103.85, Sept. 96.75-96.75, Nov. 100.35-100.30. Sales: 58 lots of 100 tonnes. Barley: March 97.00-96.65, May 100.85-100.70, Sept. 93.75-93.70, Nov. unquoted. Sales: 74 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Other milling wheat: E. Midlands 97.80, N. East 98.10, Scotland 102.00. Feed barley: Eastern 95.00, E. Midlands 92.30, N. East 92.60, Scotland 91.20.

The UK Monetary Coefficient for the week beginning Monday, January 28, is expected to decrease to 1.055.

IMPORTED—U.S. Dark Northern [illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

AMERICAN MARKETS

NEW YORK, January 25.

A FIRM dollar and a lower London spot price touched off selling in gold. Silver closed limit down due to new Comex liquidation-only rules. Copper was very firm on a strike at a major mine in Chile. Sugar was weak on a lack of confirmation of rumoured Russian purchases. Coffee finished lower on trade selling while cocoa was firm on technical buying. The livestock complex closed higher on a firm tone to cash markets. Grains and the soya-complex were lower ahead of the government's grain stocks report, which was expected to be bearish. Cotton was characterised by erratic trading, reported Heinold.

Copper—Jan. 130.00 (124.80), Feb. 130.50 (125.00), March 131.00-132.50, May 132.00-132.50, July 132.50-133.00, Sept. 132.50, Dec. 132.80, Jan. 132.95, March 133.45, May 136.00, July 134.45, Sept. 134.95.

Potatoes (round whites)—March 59.1-59.2 (60.8), April 65.0-65.5 (66.5), May 76.3-76.4, Nov. ——. Sales: 462.

¶Silver—Jan. 3350.0-3400.0 (3850.0), Feb. 3700.0 (3800.0), March 3750.0, May 3800.0, July 3840.0, Sept. 3880.0, Dec. 3937.0, Jan. 3956.5, March 3993.5, May 4030.5, July 4067.5, Sept. 4104.5. Sales: 7,000. Handy and Harman bullion spot 3500.0 (3600.0).

Tin—788.00-800.00 asked (785.00-810.00).

CHICAGO, January 25.

Lard—Chicago loose 21.00 (21.25). New York prime steam unavailable.

Live Cattle—Feb. 64.35-64.50 (63.77), April 68.70-68.50 (67.52), June 71.25-71.45, Aug. 70.95-71.05, Oct. 69.85, Dec. 71.05, Jan. ——, Feb. ——.

Live Hogs—Feb. 40.20-40.00 (40.27), April 39.60-39.50 (39.55), June 42.80-42.95, July 44.00-44.15, Aug. 43.35-43.27, Oct. 41.90-42.10, Dec. 44.62, Feb. 45.35, April 44.80.

‡‡Maize—March 270½-270¾ (272¼), May 283½-283¾ (285½), July 293¾-293½, Sept. 300½, Dec. 308, March 319.

Pork Bellies — Feb. 42.80-43.10 (42.37), March 43.30-43.50 (42.97), May 45.25-45.10, July 46.70-46.80, Aug. 46.15, Feb. 54.75, March ——, May ——, July ——, Aug. ——.

Silver—Jan. 3300.0-3500.0 (3500.0), Feb. 3705.0 (3826.0), March 3737.0, April 3772.0, June 3819.0, Aug. 3863.0, Oct. 3910.0, Dec. 3955.0, Feb. 3995.0, April 4040.0, June 4085.0, Aug. 4130.0, Oct. 4175.0, Dec. 4220.0, Feb. 4265.0, April 4317.2, June 4356.9, Aug. 4396.5.

‡Soyabeans—March 659-662 (663½), May 681½-683 (684¾), July 702-703½, Aug. 710½-711, Sept. 718, Nov. 729-730½, Jan. 747½, March 767-767½.

‖Soyabean Meal—March 184.30-184.50 (186.40), May 189.00-188.80 (190.80), July 194.00-194.30, Aug. 197.00-196.80, Sept. 198.80, Oct. 202.30, Dec. 205.00, Jan. 206.50, March 209.50, May ——.

Soyabean Oil—March 23.50-23.53 (23.71), May 24.00 (24.10), July 24.40-24.45, Aug. 24.70-24.65, Sept. 24.95-24.90, Oct. 25.15, Dec. 25.40, Jan. 25.50, March 25.90, May ——.

‡Wheat—March 449-448 (450¾), May 456½-455½ (457), July 461-460, Sept. 473½-472½, Dec. 491½-491, March 507.

WINNIPEG, January 25. §Barley—March 114.60 (116.00), May 115.20 (118.00), July 114.00, Oct. 108.90.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 238.35 (229.00).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Jan. 24	Jan 23	M'nth ago	Year ago
308.58	304.18	closed	963.01

(Base: July 1, 1952=100)

MOODY'S

Jan. 24	Jan. 23	M'nth ago	Year ago
1423.9	1399.0	1287.2	1000.5

(December 31, 1931=100)

DOW JONES

Dow Jones	Jan. 24	Jan. 23	Month ago	Year ago
Spot	459.28	457.30	425.78	373.54
F'tur's	444.11	441.55	466.69	368.56

(Average 1924-25-26=100)

REUTERS

Jan. 25	Jan. 24	M'nth ago	Year ago
1786.1	1771.1	1668.2	1503.8

(Base: September 18, 1931=100)

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. [illegible]

COTTON

LIVERPOOL—Spot and shipment sales [illegible]

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on January 25. [illegible]

Stock Exchange dealings

Thursday, January 24	23,058
Wednesday, January 23	23,515
Tuesday, January 22	24,657
Monday, January 21	26,711
Friday, January 18	29,778
Thursday, January 17	26,215

The list below gives the prices at which bargains were done by members of the Stock Exchange *and recorded in last Thursday's Stock Exchange Daily Official List.* For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are *distinguished by the dates shown in parentheses.*

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 2.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ф Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.300	1	10	—	—	—	—	F.293
AKZ C	F.22.50	67	1.50	—	—	10	3	F.22.8
AKZ C	F.25	51	0.60	18	1	8	1.60	"
AKZ C	F.27.50	10	0.30	10	0.40	—	—	"
AKZ C	F.30	—	—	20	0.20	—	—	"
AKZ P	F.22.50	20	0.70	8	1	2	1.20	"
ARB C	F.65	5	1.20	—	—	—	—	F.82
ARB C	F.70	1	0.50	—	—	—	—	"
CSF C	F.400	5	181	—	—	—	—	F.570
CSF C	F.440	4	143	—	—	—	—	"
CSF C	F.480	10	95	—	—	—	—	"
CSF C	F.560	—	—	—	—	3	53	"
FNC C	$20	—	—	—	—	1	4⅜	$22⅛
HO C	F.22.50	5	1.90	—	—	—	—	F.22.40
HO C	F.25	22	0.60	51	1	—	—	"
IBM C	$66	2	7¾	—	—	—	—	$66⅞
IBM C	$70	—	—	5	8¼	—	—	"
KLM C	F.60	—	—	2	18.50	—	—	F.78.60
KLM C	F.70	21	7	2	8.10	4	9.90	"
KLM C	F.80	281	2.30	58	4	65	4.80	"
KLM C	F.90	26	0.60	27	1.60	—	—	"
KLM C	F.110	100	0.10	—	—	—	—	"
KLM P	F.60	5	0.50	—	—	—	—	"
KLM P	F.70	218	2.50	24	4	—	—	"
KLM P	F.80	53	6.90	5	7.80	28	9.50	"
KLM P	F.20	20	18	—	—	—	—	"
KLM P	F.100	2	26	—	—	—	—	"
NH C	F.120	52	5.50	—	—	—	—	F.118.20
NH C	F.125	6	1.30	—	—	—	—	"
PET C	Fr.5000	—	—	7	360	—	—	Fr.5550
PHI C	F.20	46	1.20	14	1.50	122	2	F.20.50
PHI C	F.22.50	77	0.40	55	0.70	58	0.90	"
PHI P	F.22.50	6	2.20	—	—	—	—	"
PHI P	F.25	—	—	2	5.50	—	—	"
PRD C	$25	10	2⅜	—	—	—	—	$24⅜
PRD C	$30	10	1	—	—	—	—	"
PSA C	F.320	4	5	—	—	—	—	F.282
RD C	F.140	22	16.60	—	—	—	—	F.153.10
RD C	F.145	62	11.80	5	12.20	51	13.70	"
RD C	F.150	454	7.80	284	8	73	10	"
RD C	F.160	549	2.70	368	3.80	—	—	"
RD P	F.140	17	0.70	—	—	—	—	"
RD P	F.145	90	1.70	—	—	—	—	"
RD P	F.150	188	8.10	—	—	5	7	"
RD P	F.160	162	7.80	—	—	—	—	"
UHI C	F.116	—	—	6	8	—	—	F.115.60
UNI C	F.120	35	5.10	16	6.60	2	4.40	"
XON C	$60	4	2½	—	—	—	—	$58⅝
XRX C	$60	1	7⅜	—	—	—	—	$65⅛
		Feb.		May		Aug.		
BA C	$40	—	—	6	28	—	—	$64¼
BA C	$50	12	14¾	—	—	—	—	"
OXY C	$25	—	—	10	4⅛	1	6⅛	$27
SLB C	$70	—	—	4	32	—	—	$101⅛
SLB C	$90	—	—	5	16	—	—	"
SLB C	$100	—	—	5	8⅜	7	10¾	"
		Mar.		June		Sept.		
GM C	$50	4	6⅝	—	—	—	—	$54¾

TOTAL VOLUME IN CONTRACTS 4300

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Guinness Mahon	17 %
Allied Irish Bank	17 %	■ Hambros Bank	17 %
Amro Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Shanghai	17 %
A P Bank Ltd.	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	17 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Yorkshire Bank	17 %
Eagil Trust	17 %		
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 15%, 1-month deposits 15½%.

† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¾% and over £25,000 15½%.

‡ Call deposits over £1,000 15%.

§ Demand deposits 15%.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
RTZ	25p	10	402	+20	410	226
ICI	£1	9	375	+ 3	415	314
LASMO	25p	9	405	+27	405	124
Rank Org.	25p	8	208	—	300	168
Beecham	25p	7	128	+ 3	189	114
Lonrho	25p	7	100	− 2	109	62
Premier Cons.	5p	7	62½	+ 5	62½	13
Shell Transport	25p	7	344	+12	402	278
Unilever	25p	6	462	+ 2	680	448
Western Mining	$A0.50	6	232	—	237	121
BP	25p	5	336	− 4	406	220½
Brown (J.)	25p	5	58	− 7	123	50
European Ferries	25p	5	109½	− ½	183	92
Grand Met.	50p	5	137	+ 1	178½	110½
Marks & Spencer	25p	5	90	+ 2	134	76

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979-80 high	1979-80 low
RTZ	25p	83	402	+10	410	226
Cons. Gold Fields	25p	53	452	−26	482	178
ICI	£1	48	375	− 4	415	314
Lonrho	25p	45	100	− 9	109	62
GEC	25p	44	359	+ 2	456	311
Shell Transport	25p	43	344	+12	402	278
Western Mining	$A0.50	41	232	+ 1	237	121
Grand Met.	50p	40	137	− 7	178½	110½
European Ferries	25p	38	109½	+ 8½	183	92
Barclays Bank	£1	37	442	+12	514	360
BP	25p	36	336	−18	406	220½
Rustenburg Plat.	R0.10	36	270	−56	326	95
Racal Electronics	25p	35	226	+23	276	168½
Tricentrol	25p	35	278	+ 8	284	148
Premier Cons.	5p	33	62½	+ 8½	62½	13

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Adur (079-176 1591)	14½	½-year	1,000	2-3
Barnsley (0226 203232)	14⅝	½-year	1,000	2
Knowsley (051-548 6555)	14½	½-year	1,000	1
Redbridge (01-478 3020)	13¾	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bridgwater	10.25	10.50	12.00	12.50 5 yrs., 12.00 4 yrs., 11.60 2½ yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 years, 12.00 4 years
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 only)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.85 3 yrs.
City of London (The)	10.50	10.80	11.80	11.85 3-yr. withdrl. increment share
Coventry Economic	10.25	10.50	11.75	12.00 4 yrs., 11.50 3 yrs., 11.35 3 mt nt
Coventry Provident	10.25	10.50	12.50	12.00 4 yrs., 11.75 3 yrs., 11.25 2 yrs.
Derbyshire	10.25	10.50	11.75	11.01 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	11.75 3 months, £1,000 minimum
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 years, 11.00 3 months' notice
Hearts of Oak and Enfield	10.25	10.75	12.25	12.00 4 yrs., 11.75 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.00	11.55 3 months' notice, £250-£10,000
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.35 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 1.25 3 mth., min. £1,000
Nationwide	10.20	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Newcastle Permanent	10.25	10.50	11.80	12.50 4 yrs., 11.50 3 yrs., 11.50 2 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.00	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Principality	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Property Owners	10.25	11.00	12.25	11.55 3 months
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.05 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25-13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.70	12.60 5 yr., 11.6 mth. not. min. £500
Wessex	10.50	11.20	—	12.20 6 mths. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

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UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 17, 1979)

The Treasury bill rate showed hardly any change at yesterday's tender at 15.7443 per cent, compared with 15.7439 per cent, the previous week, and the minimum accepted bid was £96.06 against £96.055. Bids at that level were met as to about 1 per cent and above in full. The £300m bills on offer attracted bids of £760.79m, and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day-to-day credit remained in short supply in the money market, and the authorities gave assistance on an exceptionally large scale. This comprised moderate purchases of Treasury bills both from the discount houses and banks, some of which are for resale at a fixed future date, and a small number of corporation bills. In addition they lent a very large amount to seven or eight houses at MLR for repayment on Monday. The market was faced with the repayment of Thursday's large official advances and a moderate net take up of Treasury bills to finance. There was a small excess of revenue transfers over Government disbursements and a small increase in the note circulation. The balance of the shortage was attributable to the settlement of gilt sales. On the other hand banks brought balances a small way above target.

EXCHANGES AND BULLION

Trading was generally dull in currency markets yesterday, so business tailed off before the weekend, in the absence of any fresh news. The dollar remained steady for most of the day but started to rise late in the afternoon, notably against sterling, and may have gained some strength from further rises in the U.S. prime rates to 15¾ per cent. Against the D-mark, the U.S. unit finished at DM 1.7350 compared with DM 1.7315 on Thursday, and rose against the Swiss franc to SwFr 1.6150 from SwFr 1.6070. In terms of the Japanese yen, the dollar rose slightly to Y239.50 from Y239.30. On Bank of England figures, its trade weighted index rose to 84.9 from 84.7.

Sterling opened at $2.2750 and rose to a high of $2.2825 before coming back to $2.2775, where it stayed for much of the day. However in the last half hour or so, the pound fell to a low of $2.2630 and closed at $2.2635-2.2645, a fall of 1.45c from Thursday. Sterling's overall decline was reflected in its trade weighted index, which fell to 71.9 from 72.1, having stood at 72.0 at noon and in the morning.

Gold lost $35 an ounce to close at $665-675 after opening at $700-710. Since last Friday the metal has fallen by $165 an ounce or nearly 20 per cent.

GOLD

	January 25		January 24	
Gold Bullion (fine ounce)				
Close	$665-675	(£290¼-297¼)	$700-710	(£307-312)
Opening	$700-710	(£307-311½)	$680-690	(£298-303)
Morning fixing	$691.00	(£303.343)	$712	(£313.281)
Afternoon fixing	$668	(£295.368)	$717	(£314.068)
Gold Coins				
Krugerrand	$660-675	(£290-300)	$700-720	(£300-310)
Mapleleaf	$660-675	(£290-300)	$700-720	(£300-310)
New Sovereigns	$170-176	(£74-77)	$180-185	(£76-82)
King Sovs.	$195-195	(£80-85)	$195-185	(£75-90)
Victoria Sovs.	$195-195	(£80-93)	$195-195	(£75-80)
Fr 20 Napoleon	FFr715-725	(SFr250-270)	FFr715-725	(SFr260-270)
50 pesos Mexico	$805-925		$870-890	
100 Cor. Austria	$630-640		$700-710	
$20 Eagles	$710-780		$745-775	
$10 Eagles			—	
$5 Eagles	—		—	

THE POUND SPOT AND FORWARD

Jan. 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2630-2.2825	2.2635-2.2645	0.57-0.47c pm	2.76	1.57-1.47 pm	2.68
Canada	2.6260-2.6420	2.6270-2.6280	1.05-0.95c pm	4.57	2.10-2.00 pm	3.12
Nethlnd.	4.33½-4.36½	4.33¼-4.34¼	3-2c pm	0.91	7¼-6¼ pm	6.22
Belgium	63.75-64.20	63.80-63.90	22-12c pm	3.19	52-42 pm	2.94
Denmark	12.23½-12.32½	12.24-12.25	1½ore pm-½ dis	0.49	1½-3½ dis	-0.82
Ireland	1.0610-1.0675	1.0615-1.0625	par-0.10p dis	-0.58	0.14-0.24dis	-0.71
W. Ger.	3.92-3.94½	3.92½-3.93½	3⅞-2⅞pf pm	9.54	9-8 pm	8.65
Portugal	113.00-114.20	113.05-113.30	par-50c dis	-2.65	20-120 dis	-2.47
Spain	149.55-150.70	149.60-149.70	5-55c dis	-2.40	20-120 dis	-1.87
Italy	1826½-1838½	1826-1827	9-11lire dis	-6.57	23-26 dis	-5.36
Norway	11.08½-11.15½	11.09-11.10	8½-6½ore pm	8.11	17½-15½ pm	5.95
France	9.19-9.25	9.19¼-9.20¼	5-4c pm	5.87	10½-9½ pm	4.35
Sweden	9.39-9.47	9.39½-9.40½	3¾-1¾ore pm	3.51	8½-6½ pm	3.19
Japan	540-548	541½-542½	4.75-4.45y pm	10.19	12.05-11.70pm	8.76
Austria	28.13-28.40	28.15-28.20	23-13gro pm	7.87	62-52 pm	8.09
Switz.	3.64½-3.67½	3.65¼-3.66¼	4-3c pm	11.48	10⅞-9⅞ pm	11.35

Belgian rate is for convertible francs. Financial franc 65.40-65.50. Six-month forward dollar 2.07-1.97c pm. 12-month 3.15-3.05c pm.

EXCHANGE CROSS RATES

Jan. 25	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.264	3.930	548.0	9.198	3.658	4.343	1827.	2.628	63.85
U.S. Dollar	0.442	1.	1.736	239.4	4.063	1.616	1.919	806.8	1.161	28.20
Deutschemark	0.254	0.576	1.	137.9	2.340	0.931	1.100	464.8	0.669	16.25
Japanese Yen 1,000	1.845	4.177	7.251	1000.	16.97	6.749	8.018	3370.	4.848	117.8
French Franc 10	1.087	2.462	4.273	589.3	10.	3.977	4.721	1986.	2.857	69.42
Swiss Franc	0.273	0.619	1.075	148.2	2.515	1.	1.187	499.4	0.718	17.46
Dutch Guilder	0.230	0.521	0.905	124.8	2.119	0.843	1.	420.6	0.605	14.70
Italian Lira 1,000	0.547	1.240	2.152	296.7	5.036	2.002	2.377	1000.	1.439	34.90
Canadian Dollar	0.381	0.862	1.496	206.3	3.500	1.392	1.653	695.1	1.	24.30
Belgian Franc 100	1.566	3.546	6.155	849.9	14.40	5.728	6.801	2861.	4.115	100.

LONDON MONEY RATES

Jan 25 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	16-21	—	—	—	18-17¾	10½-17	—	—	—
2 days notice	—	—	18¼	—	—	—	—	—	—	—
7 days or 7 days notice	—	17½-17¾	18¼	—	18¼	18½-17¾	16¾-17	—	—	—
One month	17⅞-17⅝	17⅝-17¾	17⅛-19⅛	19¼-19	18¼	18½-17⅞	16¾	15⅞-15⅞	17⅛-17¾	18⅝
Two months	17⅞-17⅜	17⅞-17⅞	—	18¾-16⅛	18	—	16½	16⅞-15⅞	17⅛	18⅜
Three months	17⅝-17⅛	17⅝-17⅜	17¼-17⅛	17⅞-17⅛	17⅞	17⅞-17¾	16¼	16⅞-15¾	16⅞	17⅛
Six months	16¼-16⅛	16¼-16⅜	16⅛-16⅜	16⅛-16	16¾	—	—	—	15⅛	19
Nine months	15⅞-15⅞	15¼-15½	—	15¾-16⅜	19	—	—	—	—	—
One year	14⅞-14¾	15⅞-15⅞	16½-15⅝	15¼-16	16¾	—	—	—	—	—
Two years	—	—	16⅜-15½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 15¼-15½ per cent; four years 15-15¼ per cent; five years 14⅞-15⅛ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16⅞-16⅞ per cent; four-months trade bills 16¾ per cent.

Approximate selling rates for one-month Treasury bills 15½-15$\frac{17}{32}$ per cent; two-months 15$\frac{7}{16}$-15$\frac{22}{32}$ per cent; three-months 15$\frac{22}{32}$-15$\frac{11}{16}$ per cent. Approximate rate for one-month bills 17¼-17⅛ per cent; two-months 17-17$\frac{7}{16}$ per cent; three-months 16$\frac{9}{16}$ per cent; one-month trade bills 18⅝ per cent; two-months 18⅛ per cent and three-months 16⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from January 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.7443 per cent.

CURRENCY MOVEMENTS

Jan. 25	Bank of England Index	Morgan Guaranty changes %
Sterling	71.9	-34.6
U.S. dollar	84.9	-8.3
Canadian dollar	81.4	-10.5
Austrian schilling	158.0	+24.3
Belgian franc	115.5	+15.7
Danish kroner	108.9	-2.7
Deutsche mark	158.1	+46.2
Swiss franc	201.5	+80.5
Guilder	120.9	+20.2
French franc	102.6	-5.0
Lira	60.1	-48.7
Yen	117.7	+10.8

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 14.20-14.30 per cent; three months 14.35-14.45 per cent; six months 14.30-14.40 per cent; one year 13.60-13.70 per cent.

Jan. 25	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	18¼-18⅜	13⅞-14⅛	12½-15½	10½-10¾	1¼-1½	7⅞-7⅞	11¾-12	20½-27½	—	6-8
7 days' notice	18¼-18⅝	14-14¼	12½-13⅛	10½-10¾	11⅛-12	7⅞-8	11¾-12	24½-27¾	13⅞-14⅛	7½-8⅛
Month	18-18¼	15-16¼	15⅜-14	10¾-11	5⅞-5⅞	8⅞-8⅜	12-12¼	20½-29¼	15⅞-16⅞	7⅝-8⅞
Three months	17⅞-17½	14⅞-14⅞	13⅞-14⅛	10⅞-11⅛	5⅞-5⅞	8⅛-8½	12¾-13	22¼-23¼	14½-14⅝	8¼-8½
Six months	16⅝-16¾	14⅞-14⅞	13⅝-14	10¾-11	5¾-5⅛	8⅛-8⅞	15½-16¾	21-22	14⅛-14⅝	8¼-8½
One year	16⅜-16⅛	14-14¼	15-13⅜	10¾-11	5⅜-5¾	8⅝-8⅞	16½-16¾	20-21	14⅞-14⅞	8¼-8¾

Long-term Eurodollar two years 12½-12¾ per cent; three years 12⅝-12⅞ per cent; four years 12⅝-12⅞ per cent; five years 12-12⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.4852	+1.75	+1.45	±1.53
Danish Krone	7.72336	7.78041	+0.74	+0.44	±1.64
German D-Mark	2.48208	2.49215	+0.41	+0.11	±1.125
French Franc	5.84700	5.84179	-0.09	-0.39	±1.3557
Dutch Guilder	2.74362	2.75135	+0.28	-0.02	±1.512
Irish Punt	0.668201	0.673161	+0.74	+0.44	±1.668
Italian Lira	1157.79	1160.73	+0.25	+0.25	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER MARKETS

Jan. 25	£	$		£ Note Rates
Argentine Peso	3758-3778	1660-1670	Austria	28.10-29.00
Australia Dollar	2.0000-2.0540	0.9015-0.9060	Belgium	65.60-66.10
Brazil Druzeiro	99.34-100.34	40.60-44.30	Denmark	12.28-12.60
Finland Markka	8.39-8.40	3.6910-3.6950	France	9.20-9.27
Greek Drachma	n/a	n/a	Germany	3.93½-3.90½
Hong Kong Dollar	10.86¼-10.87¼	4.7805-4.7855	Italy	1810-2000
Iran Rial	n/a	n/a	Japan	544-549
Kuwait Dinar (KD)	0.610-0.625	0.2716-0.2720	Netherlands	4.34¼-4.37¼
Luxembourg Frc.	63.80-63.90	28.19-28.21	Norway	11.16-11.30
Malaysia Dollar	4.9575-4.9075	2.1860-2.1870	Portugal	113-124
New Zealand Dlr.	2.3005-2.3065	1.0160-1.0100	Spain	150-157½
Saudi Arab. Riyal	7.61-7.71	3.3590-3.3610	Sweden	9.43-9.46
Singapore Dollar	4.8775-4.8875	2.1505-2.1010	Switzerland	3.64½-3.66½
Sth. African Rand	1.8465-1.9010	0.8170-0.8175	United States	2.275-2.283
U. A. E. Dirham	8.49-8.58	3.7385-3.7435	Yugoslavia	48½-50½

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 18/1/80

Statistics provided by *data STREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	150.00	47.6	77-81	6.8	4.6	−12.5	−13 to −4	0.0	13.9	8.1	+20.6
British Land 12pc Cv. 2002	7.71	215.00	333.3	80-97	5.6	4.2	− 2.3	− 6 to 12	0.0	91.0	41.4	+43.6
Hanson Trust 6½pc Cv. 88-93	3.38	80.00	57.1	76-81	8.3	9.4	0.0	− 7 to 14	6.0	6.2	0.2	+ 0.2
Slough Estates 10pc Cv. 87-90	5.50	208.00	187.5	78-86	4.8		− 2.7	− 6 to 9	36.2	42.6	3.0	+ 5.6
Slough Estates 8pc Cv. 91-94	24.88	111.00	78.0	80-91	7.2	6.7	24.8	21 to 28	25.4	49.2	26.7	+ 1.9
Thorn Electric 5pc Cv. 90-94	1.73	88.00	29.1	75-80	5.8	6.5	− 1.1	−10 to 26	0.0	2.5	2.8	+ 3.9
Ultramar 7pc Net R.Cv.Pfd.	12.59	2.19	0.5	76-83	4.6		− 2.3	−11 to 3	25.2	24.6	− 0.2	+ 2.1
Wilkinson Match 10pc Cv. 84-98	11.10	78.00	40.0	76-83	12.9	13.3	19.6	18 to 41	20.1	28.2	12.4	− 7.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Stock indigestion brings fresh falls in Gilt-edged
Leading equities resist with index 3.7 up at 452.4

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 14	Jan. 24	Jan. 25	Feb. 4
Jan. 28	Feb. 7	Feb. 8	Feb. 18
Feb. 11	Feb. 21	Feb. 22	Mar. 3

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Gilt-edged continued to suffer fro indigestion yesterday and sustained fresh falls extending to nearly a point, but *leading* equities resisted early dullness and eoded the trading Account on a *firm* note. The effects of Thursday's dramatic about-turn io sentiment lingered in Gilts with the emphasis on the longer of the two new Government stocks which began life on that day.

Although a large investment demand at Thursday's opening had eoabled the authorities to sell off the remainder of the £1bn issue of Treasury 12½ per ceot A 2003/05 (£25-paid), the stock *later met extensive stag* selling and reacted quite violently from £26¼ to £24¾.

Yesterday, further offerings lowered the price to £24 before a tentative late rally to £24¼, almost a point discount on Wednesday's tender price of £91½, £25-paid. Other long-dated British Funds were affected and closed virtually at the day's lowest with fresh falls ranging to ⅞.

The shorts also tended easier, but settled a shade above the day's worst and were rarely more than ¼ down on balance. Exchequer 13¼ per cent 1983 (£60-paid), the new short tap stock which the Government broker supplied on Thursday at £60½ before withdrawing at that level, closed ⅟₁₆ easier yesterday at £59¹¹⁄₁₆.

Leading shares recovered from a dull opening on revived institutional inquiry coupled with a limited amount of professional bear-closing and the absence of any worthwhile selling. The movement was gradual but it *culminated* with most leaders settling with marginal improvements after the official close.

John Brown dipped following disappointment with the profit forecast and this affected the FT 30-share index, which was 3.4 down at 10 am. Despite John Brown closing 7 off at 58p, around the day's lowest, the index ended with a net gain of 3.7 at 452.4 to reduce the loss on the week to 7.4.

Traded options completed an active Account with 867 contracts arranged for a week's daily average of 1,306, which is much the same as the previous week's Racal attracted 144 deals on the back of the offer for *Decca*, *while* others in demand included RTZ, 230, and ICI, 176.

Sedgwick Forbes down

Following the successful placing of Midland Bank's 10.46 per cent stake (22m shares) in the group with various institutions at a price of *around* 96p per share, Sedgwick Forbes closed a couple of pence easier at 98p; Midland *rose* 5 to 355p. Other Lloyds brokers reacted in sympathy and Minet, at 102p, closed with the biggest fall of 7. Willis Faber dipped 5 to 225p and Alexander Howden cheapened 3 to 102p, while C. E. Heath softened 2 to 216p, after 213p. Brentnall Beard, however, held steady at 12p awaiting Monday's *preliminary results. Currently in* receipt of an unwanted bid worth around 164p per share from Marsh and McLennan, Bowring edged forward a penny to 141p. Composites were *inclined* harder in places. General Accident improved 2 to 236p as did GRE to 250p.

Firmer conditions returned to the major clearing banks as small demand ahead of the forthcoming dividend season helped NatWest improve 4 to 352p and Lloyds add 2 to 302p. Still reflecting favourable preliminary results, Union rose 10 to 400p among Discounts, while Gerrard and National firmed 6 to 238p and Gillett Bros. gained 4 to 220p. Arbuthnot Latham put on 2 more to 207p in merchant banks.

The surprise announcement that Hiram Walker's contested offer for Highland Distillers is to be referred to the Monopolies *Commission resulted in substan*tial falls throughout the sector. Support was evident at the lower levels and most finished a shade above the day's worst. Highland closed 26 down at 122p, or 8 below Hiram's offer which has now been withdrawn. Arthur Bell shed 4 at 186p, after 182p, while falls of around 20 were common to Invergordon, 217p, Macallan-Glenlivet, 605p, and Macdonald-Martin A, 630p.

Blue Circle picked up 8 to 278p after Wednesday's drop of 22 on confirmation of its agreed bid *currently worth 92½p per share* for Armitage Shanks; the latter firmed 1½ to 92p. Other leading Buildings attracted *fresh* investment buying with BUB adding 9 to 188p and Taylor Woodrow firming 6 to 348p. *Ready Mixed* Concrete revived with a gain of 4 to 150p, while Rugby Portland Cement added 3 to 71p. *Else*where, Norwest Holst, awaiting bid developments, slipped to 108p *before a late speculative flurry* lifted the price to 114p for a net gain of a penny. Fresh interest *was shown* in W. and J. Glossop which put on 3 to 49p, but Baggeridge Brick shed that much to 51p on end-account profit-taking. Marley came in for support and hardened 2 to 91p, while Burt Boulton, still reflecting the interim statement, firmed 5 to 215p for a gain on the week of 30.

ICI *touched* 378p *on steady* buying before closing just 3 up on balance at 375p. Fisons added 5 to 289p, while Coalite picked up 2 to 98p.

House of Fraser good

Continuing to reflect speculation concerning Lonhro's near-30 per cent stake, House of Frase rose 8 afresh to 146p *in an other*wise quietly firm Stores sector. Gussies A added 4 lo 402p and British Home 3 to 262p, while Marks and Spencer improved 2 to 90p at did UDS, to 77p. Elsewhere, Grattan Warehouses at 102p, retrieved 2 of the previous day's fall of 6 which followed adverse comment, while Church found support at 183p, up 4. *By* way of contrast, renewed *small* selling *in* an unwilling market left John Michael a *further* 2 lower at 22p for a fall of 8 on the week.

Suspended at the opening of business, dealings resumed in Decca issues following the announcement of agreed bid terms from Racal. Decca ordinary reacted 340p before moving ahead to close 5 up on the day at 360p, while the A ended a similar amount dearer at 325p, after 310p. Racal fell to 208p, but recovered *strongly to finish* 3 firmer on balance at 226p. Elsewhere in Electricals, Muirhead, *still* reflecting poor annual results, fell 12 for a two day loss of 27 to 203p. Further support lifted United Scientific 11 to 437p, but Audiotronic lost 2 to 6p on the bigger half-yearly loss. Among the leaders, Plessey were supported and put on 5 to 127p.

Disappointment with the profits forecast which accompanied the *half-yearly statement* and the proposed acquisition of Leesona Corporation of the *U.S. prompted weakness in John* Brown which fell to 55 before recovering to 59p and closing 7 *off on the day* at 58p. Among other Engineering leaders, GKN edged up 4 to 264p as did Tubes, *to 273p.* Elsewhere, speculative new-time demand lifted Anderson Strathclyde 5½ to 63p, while Hallite responded to the increased interim dividend and profits with a gain of 9 at 104p. Favourable Press mention stimulated demand for Deritend which firmed 5 to 140p. Revived support left Westland 4½ to the good at 75p, but Babcock, 108p, and Simon, 218p, gave up 4 apiece.

A certain amount of interest was shown in selected Food issues. Associated Dairies, interim statement next Wednesday, firmed 4 to 188p, while Tate and Lyle put on 6 to 170p. Barker and Dobson, still reflecting favourable Press comment, added 3½ to 29. Despite the Board's denial of any knowledge to account for recent strength in the shares, Joseph Stocks rose 14 to 104p in a thin market for a gain on the week of 27.

Hamilborne better

Miscellaneous industrial leaders ended the week and Account on a quitely firm note. Turner and Newall rose 4 to 134p in response to Press comment, while Beecham gained 3 to 128p as did Boots, to 184p. Rank Organisa*tion*, at 208p, *held* the previous day's rise of 20 following comment on the results. Reflecting the *chairman's confident* remarks at the annual meeting, Trafalgar House edged forward 2 to 65p. *Elsewhere*, buyers came for Hamilborne and the close was 8 up at 63p. Clement Clarke put on a similar amount to 113p and Applied Computer advanced 10 to 270p. Royal Worcester appreciated 6 to 172p, while *Ferguson Industrial* put *on* 5 more to 85p on further consideration of the upsurge in third-quarter profits. Dalgety, at 294p, recorded a Press-inspired improvement of 2 and Armour Trust hardened a penny to 16p for a *similar* reason. Following the announcement that the company is closing its acrylic yarn *manufacturing activities* at Saintfield, McLeery L'Amie edged forward a penny to 11p. A rising market this week *on persistent* U.S. buying in the wake of the chairman's encouraging annual review, Sothebys encountered end-Account profit-taking and closed 15 down at 470p for a net rise of 60 on the week.

The possibility of a national breakfast-time television *service* stimulated demand for certain *TV issues. HTV N/V* firmed 3 to 104p, while Westward and Grampian edded a penny apiece *to 24½p and 29p respectively.*

Motor sectors remained subdoed. In Distributors, Glanfield Lawrence rose 3 to 53p following the doubled full-year profits, while Appleyard, at 79p, recovered an earlier fall of 2 which stemmed from the chairman's bid denial. Elsewhere, Flight Refuelling continued to attract speculative buying and closed ' up at 216p.

A broker's bullish circular made for generally firm conditions in the Property sector with Land Securities and Great Portland Estates adding 6 apiece to 286p and 222p respectively. MEPC firmed 5 to 184p and Stock Conversion 4 to 372p, whils Hammerson A put on 20 to 825p. Reflecting recent results, Regional A added 3 to 106p and McKay Securities put on 10 to 145p, the latter in a thin market. Haslemere Estates, despite a broker's adverse circular, hardened 2 to 288p.

North Sea oils good

Oil shares were featured by a good demand for North Sea stocks which closed with substantial gains after an extremely brisk day's trading. CCP advanced 43p to 305p and Gas and Oil Acreage 50 to 410p, while Siebens (UK) were again well to the fore *in the day's proceedings* with a rise of 36 for a week's advance of 84 to 650p. Lasmo, 405p, and Cambridge Petroleum, 264p, moved up 27 and 24 respectively, while Premier were outstanding in smaller-priced issues with a gain of 5 to 62½p. Among the leaders, British Petroleum encountered U.S. sell*ing and lost* 4 to 336p, but renewed support lifted Shell 12 to 344p.

Inchcape rose 7 to 355p on further reflections of Thursday's mid-term statement, while Australian Agricultural put on 4 for a two-day rise of 9 at 136p following reports of substantially higher annual profits. Elsewhere among *Overseas Traders*, Boustead continued to attract buyers and ended 7 better at 60p; a Plantations finished the Account on a buoyant note following the re-emergence of buyers, albeit in restricted markets. London Sumatra jumped 40 to 390p, while Inch Kenneth, 250p, and Sungei Bahru, 210p, both added around 14. Singapore Para advanced 9 to 63p, while Bertam lost the *turn to 64p but still retained* a rise on the week of 16. Teas also attracted a fair measure of support with Williamson and McLeod Russell rising 7 to 222p and 312p respectively.

Golds firmer

South African Golds ended an eventful week on a steady note despite the $35 fall in the bullion price to $670 an ounce.

Confidence was shaken in the *sharemarket* on Tuesday as the bullion price plunged $135 to $690, but had returned by Thursday as the metal price traded more quietly around the $700 level.

Yesterday, the market opened on a firm note and edged higher in quiet trading reflecting *modest* "new-time" buying, until easing towards the close and in the after-hours trade as the metal price gave ground.

The Gold Mines index added 4.2 to 324.9 but was 35.5 down over the week due mainly to the heavy shake-out which occurred on Tuesday.

London Financials were featured by Rio Tinto-Zinc which advanced to close 20 higher at 402p following the sharp rise in copper prices and also reflecting favourable Press *comment. Gold Fields put on* 4 to 452p while Selection Trust added 15 to 670p.

Australians generally registered good gains following overnight domestic markets. Heavy speculative demand lifted *Otter Exploration and Samantha* 24 and 21 respectively to the common price of 78p. North Broken *Hill* closed unaltered at 159p despite the 140 per cent increase in half-year profits. *Further consideration of the good* interim results directed buyers towards Mount Lyell which rose 8 for a week's gain of 20 to 120p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	385	34	6	—	—	—	—	336p
BP	330	—	—	48	6	54	—	"
BP	350	25	1	—	—	—	—	"
BP	360	—	—	36	—	44	3	"
BP	375	16	8	—	—	—	—	"
BP	390	—	—	24	3	—	—	"
Com. Union	140	13	1	20	—	23	—	146p
Cons. Gold	360	107	3	123	—	—	—	448p
Cons. Gold	390	83	—	104	5	—	—	"
Cons. Gold	420	51	4	83	1	104	—	"
Cons. Gold	460	41	17	62	11	83	—	"
Cons. Gold	500	26	1	45	—	—	—	"
GEC	360	31	6	49	—	63	—	359p
Grand Met.	140	8	—	19	3	23	—	137p
ICI	360	33	29	45	5	66	—	377p
ICI	390	13	137	23	—	37	5	"
Land Secs.	240	62	10	—	—	—	—	286p
Land Secs.	280	29	20	37	—	49	—	"
Land Secs.	300	18	8	26	—	37	—	"
Land Secs.	330	7	—	15	1	—	—	"
Marks & Sp.	100	4	—	7	10	11	—	90p
Shell	300	32	9	—	—	—	—	339p
Shell	330	34	13	49	—	54	—	"
Shell	360	20	86	32	—	—	—	"
Shell	390	8	2	13	—	—	—	"
Totals			356		49		9	
		February		**May**		**August**		
EMI	120	18	80	20	—	—	—	138p
Imperial Gp.	80	8	—	3½	1	6½	—	77p
Racal Elec.	200	37	5	46	2	56	—	225p
Racal Elec.	220	15	67	51	70	43	—	"
RTZ	300	112	5	188	3	138	—	401p
RTZ	330	82	9	102	2	117	—	"
RTZ	360	52	28	79	—	81	—	"
RTZ	390	30	106	60	—	76	2	"
RTZ	420	17	6	37	1	52	72	"
Totals			308		79		74	

FINANCIAL TIMES STOCK INDICES

	Jan. 25	Jan. 24	Jan. 23	Jan. 22	Jan. 21	Jan. 18	A year ago
Government Secs.	67.78	68.25	68.93	68.75	69.26	68.55	66.56
Fixed Interest	69.40	69.61	69.41	69.48	69.81	68.99	68.57
Industrial	452.4	448.7	460.8	449.8	457.7	459.8	465.0
Gold Mines	324.9	320.7	311.6	318.6	352.5	360.4	167.8
Ord. Div. Yield	7.27	7.34	7.31	7.27	7.15	7.14	6.19
Earnings Yld. % (full)	17.94	18.08	18.02	18.07	17.77	17.72	16.21
P/E Ratio (net) (*)	6.86	6.79	6.02	6.80	6.91	6.93	8.00
Total bargains	23,407	23,058	25,515	24,857	26,711	29,776	—
Equity turnover £m	—	123.80	107.68	173.30	153.62	181.57	78.91
Equity bargains total	—	[illegible]7,233	16,738	19,663	22,508	20,096	12,882

10 am 445.3. 11 am 446.2. Noon 448.9. 1 pm 451.2.
2 pm 451.1. 3 pm 451.7.
Latest Index 01-246 8026.
*Nil = 6.61.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.30 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/6)	64.06 (15/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	360.4 (18/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/6/40)

S.E. ACTIVITY

	Jan. 25	Jan. 24
—Daily		
Gilt Edged	121.4	150.9
Industrials	106.3	115.9
Speculative	49.7	83.4
Totals	76.5	87.5
5-d'y A'vr'ge		
Gilt Edged	143.3	146.9
Industrials	127.5	134.5
Speculative	112.1	130.9
Totals	95.0	100.8

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	1	77	12	156	237	57
Corpns. Dom. and Foreign Bonds	2	22	42	76	58	196
Industrials	227	260	824	1,325	1,437	4,249
Financial and Prop.	114	121	263	753	684	1,153
Oils	21	7	15	82	86	63
Plantations	12	8	9	52	34	54
Mines	69	21	58	322	204	214
Others	64	27	71	261	182	357
Totals	510	538	1,393	3,027	2,12	6,343

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained *new Highs and Lows* for 1979-80.

NEW HIGHS (38)

FOREIGN BONDS (1)
Antofagasta Railway

AMERICANS (2)
Conoco — Shell Oil

BANKS (1)
Arbuthnot Latham

BUILDINGS (2)
BPB Inds. — Burt Boulton

ELECTRICALS (3)
Automated Security — Utd. Scientific
Pifco Hldgs.

ENGINEERING (2)
M.L. Hldgs. — Westland

FOODS (1)
Stocks (J.)

INDUSTRIALS (4)
Applied Computer — Gripperrods
Ferguson Ind. — Hamilborne

MOTORS (1)
Flight Refuelling

PROPERTY (1)
Mucklow (A. & J.)

TRUSTS (2)
Scottish Cities A — Yule Catto

OIL & GAS (9)
CCP North Sea — Premier Cons.
Cambridge Pet. — Siebens (UK)
Gas & Oil Acreage — Texaco 4½pc Conv.
KCA — Ultramar
LASMO

OVERSEAS TRADERS (2)
Boustead — Inchcape

RUBBERS (2)
Castlefield — London Sumatra

TEAS (1)
Williamson

MINES (4)
West Rand. — Carr Boyd
BH South — Mount Lyell

NEW LOWS (7)

STORES (2)
Kunick — Lincroft Kilgour

ELECTRICALS (1)
Audiotronic

FOODS (1)
British Vending

INDUSTRIALS (1)
'W' Ribbons

PAPER (1)
L.C.A. Hldgs.

TEXTILES (1)
Atkins Bros.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 21	Feb. 1	Apr. 24	May 6
Feb. 4	Feb. 15	May 8	May 19
Feb. 18	Feb. 29	May 9	Jun. 9

For rate indications see end of Share Information Service

Call options were dealt in John Brown, BP, Charterhall, Shell Transport, Burmah, Premier Oil, Siebens (UK), Ultramar, C. T Bowring, BSG, Dundonian, Westminster Properties and National Carbonising. A put was arranged in North Kalgoorlie, while doubles were transacted in John Brown and Western Mining.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

[illegible]

FIXED INTEREST PRICE INDICES

[illegible]

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	48.9	51.7	----	1.93
Abbey Capital	36.3	38.2	----	3.74
Abbey General	46.1	49.5	----	5.96
Abbey Gilt & F.I. Tst.	101.3	107.8	-2.2	4.63
Abbey Income	40.6	43.5	-0.1	8.69
Abbey Intl. Bd. Tst.	91.9	98.3	-0.3	5.60
Abbey Inv. Tst. Fnd.	36.2	38.1	-0.2	6.13
Equitas Prog. Trust	67.9	73.4	-0.4	5.88

Allen, Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314

AHR Gilt & Pref.	91.3	96.2	----	13.11

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	74.3	79.5	-0.3	6.04
Brit. Inds. Fund	67.5	72.2	-0.5	6.23
Growth & Income	39.8	42.6xd	-0.2	5.91
Elect. & Ind. Dev.	36.5	39.1	-0.2	5.37
Allied Capital	74.4	79.6	-0.6	5.41
Hambro Fund	114.2	112.2	-0.6	6.01
Hambro Acc. Fund	140.1	149.9	-0.7	5.37
Income Funds				
High Yield Fd.	69.3	74.2	-0.3	9.70
High Income	68.3	73.1	-0.2	8.07
A. H. Eq. Inc.	39.2	41.9xd	-0.2	8.33
International Funds				
International	28.4	30.4xd	+0.1	2.64
Pacific Fund	44.0	47.1xd	+0.1	2.63
Secs. Of America	60.2	64.4	+0.2	2.17
Specialist Funds				
Smaller Co.'s Fd.	46.6	49.9xd	-0.1	4.71
2nd Smlr. Co's Fd.	55.9	59.8	-0.1	4.52
Recovery Sits.	111.7	119.5	-0.2	6.49
Met. Min. & C'dty.	55.4	59.3	+0.2	4.97
Overseas Earnings	56.8	60.8xd	-0.2	5.59
Exempt Funds♦				
Far East Exempt	52.3	54.4	+0.3	3.25
Smaller Co. Exempt	72.0	75.6	-0.3	5.16
U.S.A. Exempt	106.8	111.1	+0.6	3.15

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	55.4	59.9	----	5.71

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Inc. Monthly Fund	142.0	150.0	----	12.72

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

High Yield	42.6	[illegible]	----	10.81
(Accum. Units)	68.4	[illegible]	----	10.81
Extra Income Fd.	97.5	[illegible]	----	10.26
(Accum. Units)	105.6	[illegible]	----	10.26
High Inc. Fund	36.8	[illegible]	----	9.36
♦(Accum. Units)	55.1	[illegible]	----	9.36
(8½% W'drwl. Uts.)	48.5	[illegible]	----	9.36
Preference Fund	21.6	[illegible]	----	13.72
(Accum. Units)	38.7	[illegible]	----	13.72
Capital Fund†	22.7	[illegible]	----	—
Commodity Fund***	77.3	[illegible]	----	3.30
(Accum. Units)	117.0	[illegible]	----	3.30
(10% W'drwl. U.)	61.9	[illegible]	----	3.30
Fin.&Prop.Fd.*	19.8	[illegible]	----	5.13
Giants Fund	36.3	[illegible]	+0.2	4.45
(Accum. Units)	45.5	[illegible]	+0.2	4.45
Growth Fund	34.1	[illegible]	+0.1	3.12
(Accum. Units)	43.1	[illegible]	+0.3	3.12
Smaller Co's Fd*	29.2	[illegible]	----	4.85
Eastern & Intl. Fd†	30.8	[illegible]	-0.1	1.00
(6% W'drwl. Uts.)	22.5	[illegible]	-0.1	1.00
Foreign Fund**	108.4	[illegible]	+2.7	1.59
N. Amer. & Int. Fd††	29.1	31.[illegible]	----	1.00
Gilt & Fixed Int.*	42.4	47.[illegible]	----	5.81
(Accum. Units)	—	—	----	—

Dealings: †Tues. *Wed. ††Thurs. **Second Thurs. in month. ***Weekly dealing day Friday.

Archway Unit Tst. Mgs. Ltd.♥ (a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	95.7	101.8	----	5.74

Prices at Jan. 24. Next sub. day Jan. 31.

Barclays Unicorn Ltd.♥ (a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	31.3	33.[illegible]	[illegible]	1.88
Do. Aust. Acc.	100.5	[illegible]	[illegible]	1.37
Do. Aust. Inc.	79.7	[illegible]	[illegible]	1.34
Do. Capital	73.1	[illegible]	[illegible]	5.42

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Jan. 25	298.8	214.1	+24.1	5.54

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	16.8	18.4xd	----	6.26
Gt. Winchester O'seas	19.6	21.8xd	----	2.52

Emson & Dudley Tst. Mngmnt. Ltd.
28b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	69.6	74.4	----	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	73.7	77.5	-0.2	5.12

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	26.6	28.1	----	1.0
Fixed Interest	25.0	26.4	-0.1	12.6
Growth + Income	28.3	29.8	----	7.80
Special Sits.	28.0	29.5	-0.1	3.00

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	26.4	28.4	----	2.20
Accum. Units	32.1	34.5	----	2.20
J. Finlay High Income	32.7	35.2	----	9.42
J. Finlay Euro.Fin.	23.2	24.9	----	3.22
Accum. Units	28.7	30.8	----	3.22
J. Finlay Fd.In.Tst.	30.9	33.2	----	5.76
Accum. Units	37.3	40.1	----	5.76

Prices on Jan. 23. Next dealing Jan. 30.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	52.6	55.8	----	1.31
American Turnaround	52.4	55.6	----	2.08
Capital Tst.	51.8	55.0	----	4.92
(Accum. Units)	51.8	55.0	----	4.92
Income Tst.	36.2	38.4	-0.2	8.59
Int. Growth Fd.	43.6	46.2	+0.2	2.18
(Accum. Units)	46.2	49.0	+0.4	2.18

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	48.2	51.5	-0.1	4.94
Do. Accum.	66.4	71.0	----	4.94

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Jan. 17	111.0	113.7	----	5.10
Gross Inc. Jan. 17	72.9	75.2xd	----	11.03
High Yield Jan. 17	85.3	88.2	----	10.24

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Income	114.2	121.4	-0.4	3.30
Do. Acc.	141.8	150.8	-0.4	3.30
G.T. Inc. Fd. Un.	173.5	184.5	+0.8	8.20
G.T. U.S. & Gen.	152.8	162.5	+4.4	2.00
GT Wld. Bd. Fd.	99.4	102.2	-1.8	5.30
G.T. Japan & Gen.	72.0	76.1	+0.2	2.80
♦Gt. Pens. Ex. Fd.	243.8	255.9	----	2.20
G.T. Int'l. Fund	174.5	185.4	-0.2	2.00
G.T. Four Yds. Fd.	48.8	51.9	+0.8	8.50
G.T. Far East & Gen.	53.9	57.5	-0.1	2.90

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	35.8	38.2	----	5.45

Gartmore Fund Managers♥ (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Trust	28.7	30.9	+0.3	0.86
British Tst. (Acc.)	60.6	65.2	----	4.51
Commodity Share	38.1	41.0	----	3.30
Extra Income Tst.	22.2	23.9	-0.1	9.82
Far East Trust	35.3	37.9	+0.3	2.88
High Income Tst.	56.2	60.5	----	10.03
Income Fund	75.2	80.9	----	7.28
Ins. Agencies	£14.57	15.56	----	4.66
Intl. Exempt Fd.	92.5	100.9	-0.5	7.20
Intl. Tst. (Acc.)	33.8	36.4	-0.3	1.23
Special Sits. Tst.	28.1	29.6	+0.2	2.81

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	30.1	32.7	----	10.10
Income	41.4	45.0	----	9.80
Accumulation	73.4	79.8	----	4.60
Growth	43.7	47.5	----	4.60
Capital	45.0	48.9	----	3.80
Small Co's	43.9	47.7	----	4.70
Technology	64.8	70.5	----	3.40
Private	43.8	47.6	----	5.10
Intl. Erns. & Assets	49.8	54.2xd	----	3.50
American	26.9	29.0	----	2.10
Far East & Gen.	30.3	32.6xd	+0.6	1.70

Govett (John)♥
77 London Wall, EC2 01-588 5620

Stockholder Jan. 18	118.4	124.8	----	2.25
Do. Accum. Unit	146.9	154.8	----	2.25

Next dealing Feb. 1.

Grieveson Management Co. Ltd.

ManuLife Management Ltd.
St. George's Way, Stevenage. 0438 56101

Growth Units	65.3	68.7	+3.9	4.69

Mayflower Management Co. Ltd.
14-18, Gresham St., EC2V 7AU. 01-606 8099

Income Jan. 22	103.9	107.4	----	9.12
General Jan. 21	72.1	75.9	----	6.18
Intnl. Jan. 21	46.0	48.5	----	3.38

Mercury Fund Managers Ltd.
30, Gresham St., EC2P 2EB. 01-600 4555

Merc. Gen. Jan. 23	54.2	57.6	----	6.21
Acc. Uts. Jan. 23	74.0	78.7	----	6.21
Merc. Int. Jan. 23	73.5	78.3	----	4.76
Acc. Uts. Jan. 23	82.6	87.9	----	4.76
Merc. Ext. Jan. 24	265.7	276.8	+11.8	6.04
Accm. Units Jan. 24	332.4	346.2	+14.7	6.04

Midland Bank Group Unit Trust Managers Ltd.♥ (a)
Courtwood House, Silver Street, Head. Sheffield, S1 3RD. Tel: 0742 79842

Commodity & Gen.	87.8	[illegible]	[illegible]	[illegible]
Do. Accum.	107.8	[illegible]	[illegible]	[illegible]
Overseas Growth	34.6	[illegible]	[illegible]	[illegible]
Do. Accum.	38.6	[illegible]	[illegible]	[illegible]
Capital	28.3	[illegible]	[illegible]	[illegible]
Do. Accum.	30.3	[illegible]	[illegible]	[illegible]
Income	53.3	[illegible]	[illegible]	[illegible]
Do. Accum.	72.6	[illegible]	[illegible]	[illegible]
North American	37.2	[illegible]	[illegible]	[illegible]
Do. Accum.	40.8	[illegible]	[illegible]	[illegible]
High Yield	59.3	[illegible]	[illegible]	[illegible]
Do. Accum.	64.9	[illegible]	[illegible]	[illegible]
Equity Exempt*	110.7	[illegible]	[illegible]	[illegible]
Do. Accum.*	113.8	[illegible]	[illegible]	[illegible]
Japan & Pacific	36.4	[illegible]	[illegible]	[illegible]
Do. Accum.	36.7	[illegible]	[illegible]	[illegible]

*Prices at Jan. 25. Next dealing Feb. 1.

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster Jan. 14	36.3	38.3	----	7.64
Exempt Dec. 31	94.2	98.2	----	6.24

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	56.3	59.2	----	3.68

Murray Johnstone U.T. Mgmt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	63.9	68.1	----	2.87

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15 Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	52.5	56.7	-0.8	7.66
Mutual Inc. Tst.	74.3	79.2	-0.8	8.20

Stewart Unit Tst. Managers Ltd.(a)
45, Charlotte Sq., Edinburgh. 031-226 3271

†Stewart American Fund				
Standard Units	62.3	65.2	----	1.80
Accum. Units	69.5	72.9	----	1.80
Withdrawal Units	44.5	47.4	----	—
*Stewart British Capital Fund				
Standard	152.8	163.5	----	5.50
Accum. Units	173.5	185.8	----	5.50

Dealing †Tues. & Fri. *Wed.

Sun Alliance Fund Mngt. Ltd.
Sun Alliance Hse., Horsham. 0403 64141

Exp. Eq. Jan. 9	£243.00	255.80	----	5.82
♥The Family Fd.	113.6	120.8	-0.5	4.59

Target Tst. Mngrs. Ltd.♥(a)(g)
31, Gresham St., E.C.2. Dealings: 0296 5941.
19, Athol Crescent, Edin. 3. 031-229 8621/2

Commodity	55.8	60.3	+0.3	3.00
Financial	72.2	78.4	-0.1	4.68
Gilt Accum.	122.4	128.6	-1.1	3.50
Investment Trust	32.2	34.8	-0.2	4.27
Special Situations	21.7	23.5	+0.3	6.19
American Eagle	30.6	33.1xd	+0.3	1.86
Pacific Income	23.7	25.6	-0.1	2.56
Pacific Accum.	27.0	29.2	-0.1	2.56
Income	25.4	27.5	-0.2	10.71
Extra Income	55.8	60.3	-0.1	11.31
Preference Share	11.8	13.0xd	+0.1	13.28
Equity	42.4	45.8	-0.4	6.33
Growth	31.3	33.8	-0.1	5.03
Professional Jan. 23	173.3	185.3xd	----	5.32
Thistle	40.8	44.1	-0.2	9.23
Equity Ex. Inc. Jan. 23	228.5	245.7	----	6.92
Equity Ex. Accum.	337.9	363.3	----	6.92

Tower Unit Trust Mngt. Ltd.
39/45 Finsbury Square, EC2A 1PX 01-628 2294

Income & Growth	22.0	23.1	+0.1	8.40
Special Situations	27.0	28.4	-0.3	2.64

Trades Union Unit Tst. Managers♥
100, Wood Street, E.C.2. 01-628 8011

TUUT Jan. 2	50.3	53.6	----	6.08

Transatlantic and Gen. Secs.♥ (c)(y)
91-99, New London Rd., Chelmsford. 0245-51651

Barbican Jan. 24	80.7	[illegible]	----	6.38
(Accum. Units)	130.7	[illegible]	----	6.38
♦Barb. Expt. Dec. 27	73.4	[illegible]	----	3.28
Buckm. Jan. 24	81.9	[illegible]	+0.4	5.84
(Accum. Units)	107.4	[illegible]	+0.6	5.84
Coleman Jan. 25	143.3	[illegible]	+1.5	6.79
(Accum. Units)	182.8	[illegible]	+2.0	6.79
Cont. Jan. 23	53.5	[illegible]	----	7.27
(Accum. Units)	65.2	[illegible]	----	7.27
Field Intnl. Jan. 24	98.1	[illegible]	----	3.00
(Accum. Units)	98.1	[illegible]	----	3.00
Glen Jan. 22	56.9	[illegible]	----	4.49
(Accum. Units)	76.5	[illegible]	----	4.49

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OFFSHORE & OVERSEAS FUNDS

Continued on previous page

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LOANS

Public Board and Ind.

High	Low	Stock	Price £	+ or −	Int.	Red.
129	97	U.S.M.C. 9pc 1982	98	.....	9.33	—
95	81	Do. without Warrants	87½	.....	10.46	16.00

Financial

High	Low	Stock	Price £	+ or −	Int.	Red.
103¼	96	FFI 13pc 1981	98	−¼	13.27	15.16
108¼	94	Do. 14pc '83	96¼	−¼	14.54	15.27
86½	77½	ICFC 5½pc Deb. '80-82	83½	−½	6.74	14.03
85	69	Do. 6¾pcDb. '81-84	74½	.....	8.55	14.10
99	79½	Do. 10½pc Uns.Ln. '86	86xd	.....	12.20	14.00
99	77	Do. 11pc Uns.Ln. '88	85xd	.....	12.94	13.80
101½	80	Do. 11¾pc Uns.Ln. '90	87½xd	−½	13.42	14.10
72½	54½	Do. 7¼pcADeb. '89-92	60	−1	12.37	14.30
69	51½	Do. 7¼pcA Db. '91-94	60	−1	12.67	14.30
71½	64	Do.9pc'A' '91-94	70½	−1	13.41	14.40
78½	61	Do.8¾pcLn. '92-97	65xd	−½	13.65	14.20
102	85	Do.12½pc. Uns. Ln. 1992	94½	−½	13.76	—

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
286	230	Brown Shipley £1	278	.....	‡13.0	—	6.7	—
375	250	Cater Ryder £1	315	.....	18.88	—	8.6	—
110	59	Clive Dis'nt 20p	78	−1	5.33	—	9.8	—
224	121	Com'l Aus. ($A1)	139	.....	Q18c	3.0	6.6	5.0
*£17	862	Com'zbk DM 10	910xr	+10	Q26.6%	—	7.6	—
£18½	900	C'hgn.Hbk.Kr100	975	.....	Q12%	—	11.4	—
41	20	Corinthian 10p	40	.....	†1.05	5.9	3.8	4.6
£24¾	£15	Cred. France F75	£17½	−½	Q9.87%	—	3.7	—
11	5	Dawes (G. R.)	10	−1	—	—	—	—
*£19½	£62½	Deutsche Bank DM50	£63¾	+½	Q28.12%	—	5.8	—
90	55	F. C. Finance	62	.....	2.2	4.9	5.1	5.7
16¾	5¼	First Nat. 10p	16	.....	—	—	—	♦
4	1½	Do. Wrrts. 75-83	2¾	.....	—	—	—	—
266	178	Gerrard Natnl.	238	+6	†9.12	—	5.5	—
78	38	Gibbs (A.)	74	.....	2.2	—	4.2	—

BANKS & HP—Continued

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PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.
Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
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O.F.S.

[illegible]

FINANCE

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DIAMOND AND PLATINUM

[illegible]

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
430	97	Coronation	400	......	Q54c	2.2	7.7
675	132	Falcon Rh.50c	660	......	Q100c	1.7	10.4
48	11	Rhod'n Corp. 16½p.	43	......	0.56	6.5	1.9
267	70	Roan Cons. H4	250	+13	Q0.125	♦	3.0
67	26	Wankie Col. Rh.1	58	−1	Q9c	1.5	10.7
57	9	Zam.Cpr.SBD0.24	48	+1	—	—	—

AUSTRALIAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28	18	Acmex 50c	23	−2	—	—	—
18	4	ACM 20c.	17	+1	—	—	—
91	50	Bond Corp.	91	......	Q3.75	2.2	2.1
173	100	Bougainville 50 7oea	168	......	†Q15c	1.0	4.7
265	84	BH South 50c	265	+10	♦—	—	—
26	0	Carr Boyd 20c	26	+3	—	—	—
£25	340	Central Pacific	£22½	−1	—	—	—
310	170	Conzinc Riotinto 50c.	285	+11	NQ10c	2.0	1.8
36	14	Cultus Pacific N.L.	22	+1	—	—	—
44	2½	Eagle Corp. 10c	42	......	—	—	—
22	11	Endeavour 20c	21½	+½	—	—	—
228	62	G. M. Kalgoorlie 25c	208	......	Q3c	—	0.7
305	148	Hampt'n Areas 5p.	285xd	......	3.5	2.8	1.8
[illegible]							

TINS

[illegible]

COPPER

190	56	Messina R0.50	178	+3	Q10c	♦	3.2

MISCELLANEOUS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
81	54	Barymin	64	−1	—	—	—
14½	10	Burma Mines 17½p	13	......	—	—	—
460	170	Cons. Murch. 10c.	410	+10	Q100c	♦	14.0
585	280	Northgate C$1	520	+10	—	—	—
410	226	R.T.Z.	402	+20	†11.5	3.4	4.1
31	12	Robert Mines	23	+1	—	—	—
65	26	Sabina Inds. C$1.	38	......	—	—	—
880	470	Tara Explrn. $1	550	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♠ Excluding a final dividend declaration.
- ♣ Regional price.
- ǁ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

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FINANCIAL TIMES

Saturday January 26 1980

MAN OF THE WEEK

To the lower depths

BY DAVID SATTER

IF THERE WAS one man whose intellectual ability and strength of character perfectly suited him to demonstrate the inherent worth of the human individual even in a society organised to ignore it, it was Andrei Dimitrievich Sakharov, the Nobel Peace Prize winner, nuclear physicist and leader of the Soviet human rights movement.

Dr. Sakharov's arrest and exile to the closed city of Gorki are an attempt to remove a symbol of resistence to total control that the Soviet authorities had tolerated out of a fear of appearing ungrateful for his scientific contributions and of being regarded as incorrigibly repressive in the eyes of the West.

Dr. Sakharov's life and character, however, attest to the fact that he is unlikely to be intimidated and that despite the possibility of further measures against him, he may actively continue to lead the human

Andrei Sakharov
Unlikely to be intimidated

rights movement in the Soviet Union even from the place where he has been sent.

Born in 1921, the son of a physics professor, Dr. Sakharov studied at Moscow State University and at the age of 26 was awarded a Doctorate for his work on cosmic ray theory at the Lebedev Institute of Physics. His work on defence projects subsequently led to his being given the Order of Lenin, a Stalin Prize and the title of Hero of Socialist Labour, the Soviet Union's highest civilian award, which he won three times.

In 1953, at the age of 32, Dr. Sakharov was elected a member of the Soviet Academy of Sciences but despite previous work in the development of the Soviet hydrogen bomb, he soon began to have political misgivings. In 1958 he started to question Soviet leaders of the need for further Soviet nuclear testing, repeating his protests in 1961 and 1962.

Dr. Sakharov continued to work as a highly privileged Soviet scientist but his concern about the consequences of the Stalin era and about the effects of politics on Soviet science had, by the late 1960s had a deep effect on his political development and the changes in his outlook were reflected in the essay "Progress, Co-existence and Intellectual Freedom" which stressed the need for internal Soviet liberalisation and was published abroad in 1968.

Dr. Sakharov was dismissed almost immediately from his post as a chief atomic energy consultant and deprived of his security clearance He then began to play an active role in Soviet dissent life. His first wife having died, he married Yelena Bonner in 1970, the daughter of a Communist Party official purged by Stalin, in 1969 after meeting her outside a courtroom.

Mild and almost diffident in manner, Dr. Sakharov played an increasingly active role in the Soviet dissident movement as the pressure against him increased. In 1970 he organised an unofficial committee for human rights.

The authorities mounted an official press campaign against Dr. Sakharov in 1973. By this time he had become firmly committed to the dissident cause and with the expulsion from the Soviet Union of Alexander Solzehnitsyn in 1974, he stood as the most important symbol of the movement's intellectual prestige.

Now that the Soviet authorities have finally acted against Dr. Sakharov, there is a real danger of further activity on his part leading to his imprisonment. The Soviets want to avoid the embarrassment of the final step.

New measures to lift Turkish economy

BY METIN MUNIR IN ANKARA

MR. SULEYMAN DEMIREL, the Turkish Prime Minister, yesterday announced a sweeping series of measures intended to meet the country's serious economic problems.

The measures follow an "immediate aid package" from West Germany and other governments which could be about $600m (£264m) according to diplomats here.

Yesterday's long-expected measures follow Thursday's devaluation of the Turkish lira by 33 per cent against the U.S. dollar. They are designed both to regularise Turkey's relations with the International Monetary Fund and to give Turkey a vigorous push towards a more liberal economy.

The main objects of the measures are to boost exports, open the economy to foreign capital and slow down inflation, now running at an annual rate of almost 80 per cent.

The prices of oil products are being raised by between 44 and 100 per cent, and coal prices are being doubled. The prices of iron, steel and cement will also be raised.

These measures will reduce the public sector borrowing requirement by about £1bn. At the same time, a tighter monetary policy is to be followed. Interest rates on bank advences are to be raised.

Other major points in the package are:

● Foreign investment: many sectors *previously allowing little* access to foreign investment are being opened up. These sectors include some parts of the mining industry, where foreign involvement has been a controversial issue, as well as agriculture, the food industry, textiles and clothing, forestry, chemicals, iron and steel, automotive industry, metal and non-metal processing, electric and electronic engineering and industrial machinery manufacturing.

In these fields, foreigners will be allowed to own between 10 and 49 per cent of the companies' equity. However, there are many exemptions so that foreign companies will in many cases be able to have majority equity control. These include investments in tourism and investments by Saudi Arabia, Libya, Iran, Iraq, Kuwait, the United Arab Emirates, Bahrain and Qatar.

● Petroleum: Foreign oil companies will be able to prospect for, and extract, crude oil in all parts of Turkey, including regions under licence by *Turkish Petroleum (TPAO). Of* the petroleum to be extracted, 65 per cent will be used in Turkey and 35 per cent may be exported.

● Banking: The limitations effectively preventing foreign banks from opening branches in Turkey are to be lifted.

Other measures involve incentives for exports: a reduction from 25 to 1 per cent of the stamp duties on imports, in an attempt to reduce the inflationary effects of the devalua*tion; and* a plan *for tackling* non-guaranteed suppliers' arrears.

These arrears are the last major item of Turkey's debt still due to be re-scheduled and may total as much as $1.9bn.

Inquiry into £80m bid for Highland Distilleries

BY JOHN MOORE

AN £80M BID by Hiram Walker-Gooderham and Worts, the Canadian distilling concern, for Highland Distilleries, the Scotch whisky group well-known for The Famous Grouse brand, has been referred to the Monopolies and Mergers Commission for investigation.

Because of the reference, by Mr. John Nott, Trade Secretary, Hiram Walker's 130p per share cash offer for each Highland share has lapsed.

The announcement by the Trade Department came as a surprise, and Highland's shares fell 26p to 122p.

Mr. John Goodwin, Highland's managing director, said yesterday: "We are very pleased that the Government is going to take a good look at our case."

Hiram Walker said that it intended to respond fully to all inquiries by the Monopolies Commission. It would consider its position in the light of the report and all other circumstances then prevailing.

The Monopolies Commission reference follows a seven-week campaign by Highland against the Hiram Walker bid. The group has gained powerful support from Scottish MPs in the House of Commons. Before Christmas Mr. Donald Dewar (Lab., Glasgow, Garscadden), claimed that a takeover by Hiram Walker would not give a "whit of advantage" to workers in the industry or to consumers.

Because of the complicated nature of the inquiry, the Monopolies Commission has been given the maximum six months to complete its study. It can ask for an extension of up to three months.

The reference was made because it was felt that a takeover of Highland by Hiram Walker "would raise issues of public interest which merit investigation."

Among the points the Monopolies Commission will investigate are the likely effect on the availability of malt whisky fillings to independent blenders, the implications of control of Highland passing outside the UK, the effect on the growth rate of the company and the whisky industry, the likely effect on whisky exports of all kinds, and the implications for employment.

John Brown in U.S. takeover bid

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

JOHN BROWN construction and engineering group is making an $80m (£35.13m) bid for Leesona Corporation in the U.S.

The bid, which represents a substantial premium on the Leesona share price, is being recommended by the directors of the American company.

Sales of Leesona, which makes plastics and textile machinery, totalled $122m in 1978, and profits were $10.6m. Profits for 1979 are expected to be $14m.

The announcement of the offer coincided with a guarded profits forecast from John Brown for the financial year ending in March.

Mr. John Mayhew-Saunders, chairman, said pre-tax profit was "not expected to fall below £18m," compared with £28m last year. He added, however, that the forecast had been made with the Leesona acquisition "very much in mind." He hoped the final result would be better than the present forecast.

The reasons given for the trading performance at John Brown so far this year are the engineering dispute last autumn, the steel strike, and the poor performance of certain subsidiaries. These include Crawford and Russell, the American contracting subsidiary; the Clydebank gas turbine interests, and machine tool companies.

John Brown's plastics machinery and paper converting interests, which will be merged into Leesona if the acquisition goes ahead, made a loss.

John Brown will send a letter to its employees early next week outlining the group's position, and calling for much higher productivity to enable the group to compete in world markets.

Mr. Mayhew-Saunders said in his interim report yesterday: "In common with most British engineering companies, unless we can solve some of our productivity and industrial relations problems our competitiveness will continue to suffer and our share of world markets will progressively diminish."

Analysis and results, Page 19

£21m for Midland in shares sale

BY JOHN MOORE

MIDLAND BANK has sold its 10.46 per cent stake in Sedgwick Forbes Bland Payne, the UK's largest insurance broker, for £21.1m. The proceeds from the sale are likely to be used in an extensive acquisition programme planned by Midland.

On the stock market Midland's shares rose 5p to 355p. Shares in Sedgwick Forbes Bland Payne fell 2p to 98p as an extensive placing operation was mounted by Cazenove, stockbrokers to Midland.

About 200 instiutional funds took up the 22m shares which came on to the market at 10.30 yesterday morning. By 3.15 the placing was completed.

Midland Bank, which once had a controlling stake in Bland Payne before the insurance broker merged with Sedgwick Forbes a year ago, held on to 22m shares in the newly-merged group as a trade investment.

Midland said yesterday: "The holding of this trade investment is no longer consistent with the Midland's strategic aims and the proceeds will be used to support the overall operations of the group."

Midland has already raised £65m by disposing of its shares in Standard Chartered Bank. Sale of the shares was completed this week.

Since Midland's talks with Walter E. Heller International, the Chicago-based financial conglomerate, broke down last October there has been speculation that Midland might plan another U.S. venture.

Although the group said yesterday that the U.S. figured in its international aspirations it declined to say whether an American acquisition was lined up.

Continued from Page 1

Racal wins Decca agreement

forecast another record year for Racal for the period up to March, although "not a very exciting performance in Racal terms."

The following year, however, ought to be very good, "which will help us digest Decca."

Mr. Harrison stressed Decca's international renown in radar, navigational aids and marine survey, and said that its advanced technology in professional electronics was the main attraction for his group.

The television side of Decca, which is up for sale, he agreed was "not our scene," and he supported Decca's board in seeking a buyer.

The joint announcement of the bid terms concentrated on the advantages of the merger and Racal's hopes for a speedy turnround in Decca's fortunes. However, Decca's board, which has announced pre-tax losses for the six months to September of £1.57m, is forecasting that these will continue in the second half "due to continuing losses in consumer goods and higher interest charges."

Mr. Harrison also, is clearly concerned at the level of Decca's debt, currently £60m before the sale of its music interests to Polygram. It was the need to tackle this, he said, which decided Racal against a cash bid. "We need the cash for Decca's borrowings."

The bid seems likely to get the blessing of the institutional shareholders, who own about 30 per cent of Decca's votes. Yesterday the largest shareholder, the Kuwait Investment Trust, said merely: "Like others we are sad that Decca can no longer remain independent."

Sir Ted and Mr. Nigel Graham Maw, Decca's deputy chairmen, are to join Racal's board as non-executive directors. Mr. Harrison will take over as chief executive of Decca if the offer succeeds.

Record $8.6bn deficit for Japan

By Richard Hanson in Tokyo

JAPAN RECORDED a deficit of $8.6bn (£3.8bn) on current account during 1979, by far the largest figure in its history, the Ministry of Finance reported yesterday. The deficit was nearly twice as large as the previous record figure the year after the 1973 oil crisis.

It also represented a spectacular reversal of the previous year's figures which showed a record current surplus of $16.5bn.

The visible trade account for last year registered a modest surplus of $2.026bn, sharply reduced from the 1978 figure of $24.6bn under the impact of *greatly increased crude oil* prices.

The surplus on visible trade however was more than offset by a deficit on invisible transactions of $10.65bn. Japan normally runs a deficit on invisibles, but the 1979 figure showed a rise of more than $2bn on the previous year.

Officials are not particularly alarmed by the size of the current account deficit. Japan started the year with record foreign reserves of $33.1bn by December 1979 the reserves had been reduced to just over $20bn, but the strong initial position was more than adequate to absorb the spectacular swing in the current account.

What may however, be significant about last year's result is that Japan no longer seems to be in a position to offset a sudden deterioration in the current account by gearing up its exports.

There is a growing belief that it may have to accept recurring current account deficits because of its heavy dependence on imported oil.

According to preliminary figures, Japan's free on board exports in 1979 rose only 6 per cent to $101bn while imports leaped 40 per cent to $99bn.

Partly owing to the strength of the domestic economy last year, exports were relatively weak—volume fell 1 per cent.

A slight export rally appears to b dvloping this yar, taking advantag of restored competitiveness following the yen's steep decline over the past year.

In certain sectors, particularly cars, trade tensions have already begun to mount.

Import volume last year gained 10.7 per cent, while the value of imports, led by soaring oil and other raw material costs, jumped nearly 26 per cent. The price of Japan's crude oil imports (accounting for 30.4 per cent of all imports) rose 85.3 per cent.

Weather

UK TODAY

DRY with brighter sunny periods.

London, S.E., N.W., Cen. N. England, E. Anglia, Midlands, N. Wales, Lake Dist., Isle of Man, S.W., N.E., N.W., Scotland, N. Ireland

Dry. Sunny periods. Max. 7C (45F).

E., N.E. England, Borders, Edinburgh, Aberdeen, N.E. Scotland, Orkney, Shetland

Sunny. Wintry showers. Max. 5C (41F).

Channel Isles, S.W. England

Cloudy. Rain and sleet. Max. 7C (45F).

Cen. S. England, S. Wales

Dry. Cloudy. Max. 6C (43F).

Outlook: Dry. Cold. Sunny. Night freezing fog patches.

WORLDWIDE

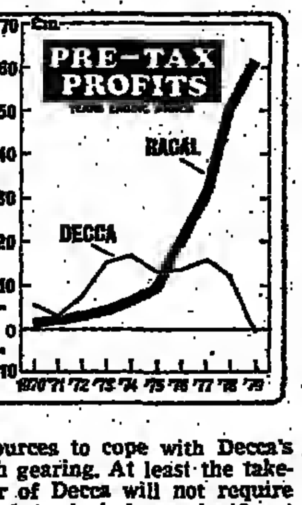
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	17	63	Lisbon	C	14	57
Algiers	S	22	72	Locarno	S	6	43
Amsdm.	R	4	39	London	S	8	46
Athens	F	16	61	Luxmbg.	C	1	34
Bahrain	S	17	63	Madrid	C	12	54
Barclna.	S	19	66	Majorca	F	18	64
Beirut	C	16	61	Malaga	S	18	64
Belfast	C	3	37	Malta	S	16	61
Belgrd.	S	1	34	M'chstr	C	5	41
Berlin	Sn	0	32	Melbne	C	20	68
Biarritz	F	13	55	Milan	F	6	43
Bmghm.	S	6	43	Mntreal.	C	1	34
Blackpl.	S	5	41	Moscow	Sn	−9	15
Bordx.	C	7	45	Munich	F	1	34
Boulgn.	S	6	43	Nairobi	S	24	75
Bristol	F	6	43	Naples	F	15	59
Brussels	C	4	39	Nwcstl.	R	4	39
Budpst.	F	2	36	N. York	S	−2	28
B. Aires	S	23	74	Nice	S	15	59
Cairo	S	19	66	Oporto	C	16	61
Cardiff	S	6	43	Oslo	F	−10	14
Cas'b'ca	S	24	75	Paris	C	3	37
Cape T.	C	29	84	Perth	S	28	82
Chicago	C	−4	25	Prague	F	2	36
Corfu	F	16	61	Reykjvk.	S	−1	30
Dublin	S	4	39	Rhodes	F	14	57
Dbrvnk.	R	12	54	Rio J'o	C	24	75
Edinbgh.	R	6	43	Rome	C	16	61
Faro	F	18	64	Salzbrg.	Sl	2	36
Florence	C	14	57	Singapr.	S	31	88
Frankft.	C	4	39	Stckhm.	S	−10	14
Funchal	C	16	61	Strasbg.	C	4	39
Geneva	F	6	43	Sydney	C	24	75
Gibrltr.	S	17	63	Tangier	S	20	68
Glasgow	Fg	3	37	Tehran	S	−1	30
Grnsey	F	7	45	Tel Aviv	C	15	59
Helsinki	F	−18	0	Tenerife	C	15	59
H. Kong	S	20	68	Tokyo	S	−6	18
Innsbrk.	C	3	37	Toronto	Sn		
Invrnss	F	2	36	Tunis	S	18	64
I.o Man	C	7	45	Valencia	S	19	66
Istanbul	C	10	50	Venice	C	9	48
Jersey	F	8	46	Vienna	S	5	41
Jo'burg	C	20	68	Warsaw	C	0	32
L. Plms.	F	21	70	Zurich	F	4	39

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Racal seizes its chance

Index rose 3.7 to 452.4



A baffling week in the gilt-edged market has ended with many fingers being burnt in the new long dated issue, Treasury 12¼ per cent "A" 2003/05. Buyers of this £25 paid stock on Thursday morning are showing a loss of around 8 per cent. With all eyes on gilts, equities have had a much quieter week, and the F.T. Share Index is down 7.4 points on the five days.

Racal/Decca

Beneath the cosy public relations veneer which enveloped yesterday's announcement of the takeover of Decca by Racal lies the harsh truth that Decca's shareholders are paying a high price for Sir Edward Lewis's former intransigence. Even a couple of years ago the Decca share price was over 500p, and Sir Edward's price to prospective bidders was always too high. Now, as Decca heads into rising indebtedness and increasing losses, it has had to settle for a much lower price.

With Racal at 226p the more numerous non-voting "A" shares are offered a three-for-two swap valuing them at 339p. The voting shares get a swap worth 11 per cent more. Overall the bid is worth a little less than the book value of Decca's assets, allowing for the surplus on the disposal of recording and music publishing assets to PolyGram.

Clearly this is a growth opportunity which Racal had to seize. Ignoring Decca's remaining consumer businesses, which it will soon shed, Racal is taking on well over £100m of turnover in electronic capital goods, adding perhaps half to its own turnover, and acquiring valuable microwave technology which would have been highly expensive to develop independently. For this, apart from £4m or £5m which it has spent buying about 7½ per cent of Decca in the market, it is increasing its own equity by about 12 per cent.

Whether this turns out to be a good buy, howver, depends on how quickly Racal can pull Decca out of its decline. To begin with, Racal is taking on some £60m of debt now burdening Decca's balance sheet. Some £9.5m in cash is due quite soon—next month—on completion of the PolyGram deal, with more to come later. On the other hand, continuing losses are bound to lead to further cash flow problems for Decca. Fortunately Racal's own balance sheet is strong, and by restricting itself to an all-equity deal it can preserve adequate resources to cope with Decca's high gearing. At least the takeover of Decca will not require Racal to include a significant goodwill item in its balance sheet, as its previous electronics acquisitions have done.

The hope is that quick surgery—notably of the consumer electronics side—and reorganisation will bring Decca back roughly to the breakeven point for the 1980-81 financial year. On this basis the initial impact will be to dilute Racal's own earnings per share by some 11 per cent—but these should be growing quite strongly next year. By 1981-82 Racal expects to have turned Decca round, into useful profits.

It has to be said that Racal's record in previous acquisitions has been good. And the shares rose a little yesterday, apparently on relief that it did not pay much more than £60m for Decca; there had been stories of a higher price. However, the deal carries obvious risks, and certainly will lead to a slow-down in earninsg growth for the time being.

With Racal's shares on a prospective fully-taxed p/e of, perhaps, 16, and with £60m worth of shares to be issued if the deal goes through (as seems likely) there could be indigestion for a while.

John Brown

John Brown's interim statement seemed to touch a few nerve ends yesterday: the shares fell 7p to 58p on the day. Profits this year, it says, are not going to fall below £18m, which would be fine but for the fact that it made £28.4m last time and most analysts were hoping for roughly £23m in the current year. One of its problems is its U.S. process engineering business, which it bought only last year for $25m and which is probably losing money after finance costs. And, nothing daunted, Brown is now planning a much bigger U.S. bid—$80m for a company which in 1978 derived two-fifths of its sales from the decidedly unglamorous area of textile machinery.

However it is possible to put a better gloss on all this. The forecast is apparently intended to be ultra conservative, so much so that the analysts' hopes might not be so very far from the mark after all. The problems in the U.S. are said to be strictly temporary. And the latest bid, for the Leesona Corporation, is aimed at the control of a rapidly growing and apparently successful plastics machinery business.

This has been built up through a series of acquisitions in the last decade from nothing to annual sales of $110m and on the textile machinery side, Leesona says that around three-fifths of its sales come from profitable replacement business.

Leesona is not expecting any growth this year, and Brown is offering around three-fifths more than the recent market price. The p/e is around 10, and the price is fully backed by net assets, which is more than can be said for a lot of other transatlantic takeovers.

Although the bid is agreed, Brown could face opposition. Walco National, a U.S. holding company, has acquired over a fifth of Leesona's equity in the past 18 months, to the latter's apparent discomfiture. Walco says it will decide what to do next week.

Whatever happens, Leesona is not going to make much net contribution to Brown's profits in the near future. Of more immediate importance is the UK group's ability to turn round its machine tools side, which is still making virtually nothing on annual sales of maybe £60m and capital employed of over £30m. Another unresolved question concerns the gas turbine division, which has had to adapt itself to a fundamental change in the market place and where profit margins remain under intense pressure.

Brown's balance-sheet can take the proposed U.S. bid in its stride, and its dividend, which is likely to rise by a fifth this year, looks as safe as any in the engineering sector. All the same, it is hard to see that much of a profit recovery in 1980-81, which is why the prospective yield on the shares is nearly 11 per cent.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.
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